



Daily Report

East Asia

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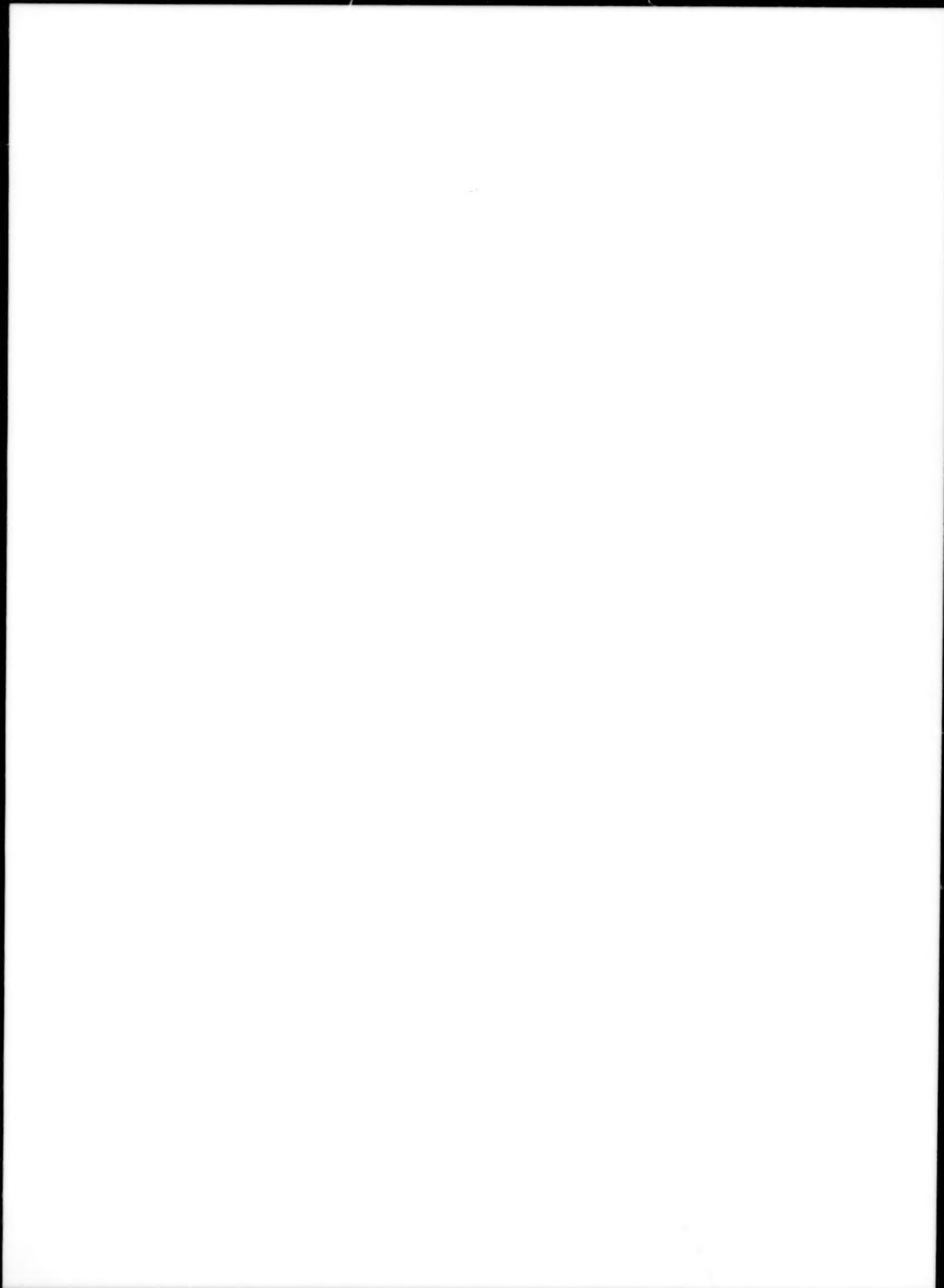
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Japan

Foreign Minister Uno Praises Treaty With PRC
*OW1208063488 Tokyo KYODO in English 0307 GMT
12 Aug 88*

[Text] Tokyo, Aug. 12 KYODO—Japan hailed the 10th anniversary of the Japan-China Peace and Friendship Treaty and said Friday Tokyo is determined to expand bilateral ties.

Foreign Minister Sosuke Uno said the treaty, signed in Beijing 10 years ago, has greatly contributed to close bilateral relations and political stability in Asia.

Uno also said that the two countries should maintain the treaty forever.

The foreign minister made the remarks at a regular press conference when asked for comment on the 10th anniversary of the treaty, which was signed in Beijing on August 12, 1978.

Uno said he hopes that Prime Minister Noboru Takeshita's visit to China, scheduled for August 25-30, will accelerate friendly relations between Tokyo and Beijing towards the 21st century.

Chief Cabinet Secretary Keizo Obuchi said that Japan will cooperate with China's modernization efforts as much as possible and do its best to expand bilateral relations.

Obuchi told a regular press conference one of Japan's important foreign policy pillars is to maintain and develop long-term, stable relations with China.

Amicable, cooperative bilateral relations have steadily developed since the two countries issued a joint communique in Shanghai in 1972, which restored their diplomatic ties, he said.

There has been remarkable progress in friendly exchanges during the past 10 years after the two countries concluded the peace treaty, he said.

Broad and trustworthy ties between the peoples of the two countries have been established through political, economical and cultural exchanges, the chief government spokesman said.

On Thursday, Takeshita said that Japan will continue to maintain and develop long-term stable relations with China and provide every possible assistance to its modernization efforts.

Curbs on Computer Exports to PRC Eased
*OW1108142788 Tokyo KYODO in English 1009 GMT
11 Aug 88*

[Text] Tokyo, Aug. 11 KYODO—Japan will ease export regulations on the sale of business computers to China late this month, government sources said Thursday.

Prime Minister Noboru Takeshita will formally convey the decision to Chinese Government leaders during his visit to China slated to start August 25, the sources said.

The government decision came in view of an agreement by the 16 member nations of the Coordinating Committee for Multilateral Export Controls (COCOM) to ease international security regulations by delisting some high technology equipment from COCOM's embargo list.

During the COCOM conference held in July, some member states proposed easing export curbs on 30 high-tech items, including business computers and optical transmission equipment, the sources said.

COCOM members also agreed to permit each country to export about 10 of the 30 items without going through procedures to obtain approval from other COCOM member states.

Japan plans to lift export regulations on the delisted high-tech items other than business computers in or after September, the sources said.

Negotiations among COCOM members to ease export curbs on high-tech products to China broke down in 1987 after the United States dissented against the easing following disclosures that China sold its missiles to Iran, the sources said.

However, COCOM member states finally agreed to ease the curbs against the backdrop of a summit meeting between U.S. President Ronald Reagan and Soviet leader Mikhail Gorbachev and subsequent signs of eased West-East diplomatic tensions, they said.

The government expects the planned relaxation of COCOM-related curbs will help expand Japan-China economic cooperation, they said.

Meanwhile, the government lifted export restrictions on the communist bloc-bound computers with data processing speed up to 43-megabits second on August 1 after COCOM signatory nations agreed to delist them, they added.

JSP Team Leaves for PRC for Talks With DPRK
*OW1108135788 Tokyo KYODO in English 1200 GMT
11 Aug 88*

[Text] Tokyo, Aug. 11 KYODO—A delegation from the Japan Socialist Party (JSP) departed for Beijing Thursday evening to meet with North Korean officials there in a bid to win the release of two Japanese seamen from the ship *Fujisan Maru No 18*, who have been held captive since 1983.

Hajime Fukuda, head of the JSP's National Movement Bureau and leader of the delegation, is expected to stay in the Chinese capital for about 10 days.

Fukuda will meet with the North Korean officials and brief them on efforts the JSP has been making to convince the Japanese Government to lift sanctions it imposed on Pyongyang last January, JSP officials said.

In retaliation for the sanctions, Pyongyang suspended secret negotiations with Japan that had been going on in third countries to resolve the issue of the imprisoned Japanese seamen.

The two crewmen have been detained for four years and eight months since they were arrested in December 1983 on espionage charges when their freighter returned to North Korea two months after a North Korean soldier stowed away to Japan aboard the ship.

The seamen were sentenced by a North Korean court on last December 24 to 15 years of reformation through labor," a move which followed the Japanese Government's decision to release the defector Min Hong-ku, from detainment but restrict him to Japan. Pyongyang had been demanding his repatriation.

Fukuda and JSP Secretary General Tsuruo Yamaguchi, accompanied by the wives of the crewmen, paid calls on Chief Cabinet Secretary Keizo Obuchi and Foreign Minister Sosuke Uno Wednesday and called on the Japanese Government to clear the way for the captives' release by dropping the sanctions, opening up government-level talks, and allowing the exchange of officials and others.

Japan invoked the punitive measures against Pyongyang after two North Korean agents were implicated in the loss of a South Korean jetliner which resulted in the deaths of all 115 on board last November.

The sanctions included a restriction on contacts between Japanese and North Korean diplomats, a ban preventing Japanese Government officials from visiting North Korea, and stricter immigration checks of crew members aboard North Korean ships calling at Japanese ports.

In practice, several North Korean ships have been turned away completely since the sanctions went into effect.

Both Obuchi and Uno replied that the Japanese Government is making efforts to win the earliest possible release of the crew members and that it was considering taking a "flexible stance" vis-a-vis North Korea.

They also noted that circumstances surrounding the issue may be taking a turn for the better since South Korean President No Tae-u issued a special declaration on July 7 calling for inter-Korean dialogue and an end to the isolation of North Korea by free world countries.

In a fresh development Tuesday, Kampuchean resistance leader Prince Norodom Sihanouk, currently on an official visit to Japan through Monday, conveyed a message to the Japanese Government from North Korean President Kim Il-song, who said he hoped for better relations between Tokyo and Pyongyang.

Fukuda visited North Korea in late June to discuss the same issue, at which time the two sides shared the view that the Governments of Japan and North Korea should reach a political compromise.

Takeshita Meets ROK Opposition Party Leader
*OW1108131788 Tokyo KYODO in English 0850 GMT
11 Aug 88*

[Text] Tokyo, Aug. 11 KYODO—The president of South Korea's No 3 opposition New Democratic Republican party, Kim Chong-pil, told Prime Minister Noboru Takeshita on Thursday that he hopes Japan will assist his country in steadily promoting dialogue with North Korea.

During the 30-minute talks at the prime minister's official residence, Kim said relations between North and South Korea have reached a point where a parliamentary conference between them could be realized. A Foreign Ministry official, in a briefing to reporters, quoted Kim as saying he does not think dialogue between North and South Korea will expand sharply and that he hopes to steadily promote such a dialogue.

Kim thanked Takeshita for Japan's cooperation in connection with the Seoul Olympics. Responding to Kim's call for continuation of Japan's support for the Seoul Olympics, the prime minister pledged to do so, the official said.

Takeshita said it has not been decided whether he will attend the September 17 opening ceremony of the Seoul Olympics, but that he would like to participate in the ceremony. The prime minister said he must gain the Diet's approval to do so.

Kim, who was prime minister under then-president Pak Chong-Hui from June 1971 to December 1975, called for Takeshita's help in improving the status and treatment of Korean residents in Japan.

The prime minister vowed to make efforts for this purpose.

China has been positively responding to improvement of relations with South Korea and this is due to Japan's indirect support, Kim was quoted as saying.

Takeshita told Kim South Korea has been developing rapidly as one of the newly industrializing economies (NIEs) and that the contribution of NIEs to the world economy must be given high marks.

Earlier in the day, Kim Chong-pil met separately with Foreign Minister Sosuke Uno and Michio Watanabe, chairman of the Liberal Democratic Party's Policy Affairs Research Council.

In an hour-long session with Uno over breakfast at a Tokyo hotel, Kim pointed out the need to engage in steady exchanges between Seoul and Pyongyang to ease hostilities, Foreign Ministry officials said.

The Korean opposition leader, here on a week-long visit since Wednesday, told Uno that South Korea will keep the door open until the last minute to North Korea's participation in the Seoul Olympics.

In the luncheon session with Watanabe at the LDP head office, Kim predicted that there will be no North Korean terrorist harassment during the Seoul Olympics since China and the Soviet Union will participate in the games, LDP officials said.

Four ROK Contractors Given Special Approval
*OW1108130288 Tokyo KYODO in English 0943 GMT
11 Aug 88*

[Text] Tokyo, Aug. 11 KYODO—Construction Minister Ihei Ochi on Thursday gave four leading South Korean contractors his special permission to apply for a license to engage in construction work in Japan, ministry officials said.

The four are Hyundai Construction Co., Samsung Construction, Daewoo Japan, the Japanese subsidiary of Daewoo Corp., and Samhwan Corp., they said.

They became the first Asian contractors to obtain the special ministerial endorsement following the Japan-U.S. construction accord which was signed to open up Japan's construction market to foreign participation, the officials said.

Following the approval, the four will shortly ask the Tokyo metropolitan government to give them licenses required to provide construction service to the Japanese market, industry sources said.

South Korean contractors are stepping up their efforts to penetrate the 60 trillion yen Japanese market in view of the sluggishness in the once-buoyant Middle East construction market that has been buffeted by the Iran-Iraq war, the sources said.

A total of 11 South Korean contractors have applied so far for the special ministerial permission to make debuts in the Japanese market.

The ministry officials said ministerial endorsements will be given to the remaining seven firms upon receiving a set of required application documents from the South Koreans.

The stepped-up infiltration by the South Korean builders into the Japanese market may stir up new commercial friction with their Japanese counterparts, since they are planning to take advantage of their competitiveness stemming from less expensive South Korean construction workers here, the sources said.

Support Pledged for U.S. Disarmament Efforts
*OW1108123388 Tokyo KYODO in English 1141 GMT
11 Aug 88*

[Text] Tokyo, Aug. 11 KYODO—Japan on Thursday offered its continued support for the United States' efforts to promote strategic arms reduction talks with the Soviet Union, Foreign Ministry officials said.

In a consultation on arms control and disarmament with the United States at the Foreign Ministry, Japanese officials pointed to the need to strengthen solidarity among Western advanced countries to promote the START talks.

Japan expressed respect for U.S. efforts resulting in a superpower pact on the elimination of intermediate-range nuclear force (INF) weapons.

American officials provided background information on the START talks currently under way between the United States and the Soviet Union, the Foreign Ministry officials said.

Minoru Endo, head of the Foreign Ministry's United Nations Bureau, headed a Japanese team at the day's talks. William Burns, director of the Arms Control and Disarmament Agency, led the U.S. delegation at the session, the second of its kind between the two countries.

Okinawa City Delegation Pretest U.S. Drills
*OW1108142088 Naha OKINAWA TIMES in Japanese
11 Aug 88 Evening Edition p 7*

[Text] On the morning of 11 August, 10 representatives of the Central Okinawa City, Town, and Village Association (Chairman: Choko Kuwae, mayor of Okinawa City), made up of chiefs of 13 autonomous bodies in the

central part of Okinawa island, called on the U.S. Consulate General in Okinawa, the Naha Defense Facilities Administration Bureau [DFAB], the prefectural government, and the prefectural assembly. They handed a "statement on halting reckless U.S. military exercises" to each of these organizations conveying the protest of local residents against intensified U.S. military exercises.

The statement, which had been adopted at the association's extraordinary general meeting on 29 July, expressed opposition to U.S. military exercises. It also voiced opposition to a plan to move an "aggressive squadron" from Clark Air Base in the Philippines to Kadena Air Base and called for immediate withdrawal of all aircraft which have flown in from bases at home and abroad, including Iwakuni Base, and are now temporarily stationed on Okinawa.

At the Naha DFAB, the representatives, including Association Acting Chairman and Nakagusuku Village Chief Seiha Arakaki and Ginowan City Mayor Seiken Tobaru, met with Bureau Deputy Chief Akira Takeshita. Acting Chairman Arakaki said: "U.S. military exercises are intensifying in Kadena and Yomitan, causing accidents and public nuisance. Every city, town, and village has been adopting resolutions protesting them. However, there is no sign that military exercises will be reduced. To guarantee the residents' safety and protect their lives, we demand that the U.S. military exercises be stopped." In response, Deputy Chief Takeshita said: "Every time an exercise is held, we take measures to adjust its contents. We are trying to see that the exercises are carried out without causing trouble to prefectural residents."

OECD Report Outlines Growth-Inflation Dilemma

OW1208013688 Tokyo KYODO in English 0007 GMT
12 Aug 88

[Text] Paris, Aug. 12 KYODO—Japan, which is being urged to reduce its external trade surplus through expanding its domestic demand, faces the classic dilemma of maintaining growth while restraining inflation at the same time, a report released by the Organization for Economic Cooperation and Development (OECD) said Friday.

"The size of Japan's external surplus," the Economic Survey Japan 1987/88 said, "is such that strong growth of domestic demand will need to be maintained for some years."

According to a projection of the Paris-based, 24-member organization, Japan's total domestic demand is predicted to expand 5.25 percent in 1988 and 5.00 percent in 1989, following a 5.5 percent growth last year.

Supported by the brisk growth of domestic demand, which the OECD said is "indeed twice as fast as in the rest of the OECD," Japan's gross national product (GNP) is expected to expand by a little over 4 percent in 1988 and a slightly less in 1989. The GNP grew at a pace of 4.2 percent in 1987.

The current external surplus, however, will still top 80 billion dollars by 1989, though its ratio of GNP will drop to around 2.25 percent by the same year, the report said.

The report, compiled by the Economic Development and Review Committee (EDRC), conceded Japan is successfully adjusting its external imbalances while maintaining growth, assuring a "vigorous recovery" in 1987 from a recession since mid-1985.

However, there were some signs that "traditional policy dilemma" were beginning to emerge from the mid-1987 demand growth; some isolated commodity shortages; a rebound in international commodity prices; continued rapid money supply growth and steep increases in asset prices, it said.

With the economy expected to move closer to capacity during 1988 there is also a risk of worsening the trade-off between growth and inflation, the report pointed out.

The report further cautioned that uncertainties about the external environment and the risk of inflationary pressures underline the need for "vigilance."

It added that maintaining non-inflationary growth will increasingly depend on structural reform, and called for measures to promote the freer entry of new competition, especially in the service sector.

Miyazawa Comments on Report

OW1208115188 Tokyo KYODO in English 0156 GMT
12 Aug 88

[Text] Tokyo, Aug. 12 KYODO—Finance Minister Kiichi Miyazawa on Friday said that Japan faces no inflationary pressures at present.

Miyazawa also said the current yen-dollar exchange rate is not "excessively high," and that "rate movements should be left to market forces."

Miyazawa made the remarks at a press conference after a cabinet meeting on Friday morning.

Miyazawa's remark came in response to a report released by the Organization for Economic Cooperation and Development (OECD) warning Japan of possible inflation ahead.

In its reports the OECD said, that "if the economy (Japan) moves closer to capacity, Japan faces the traditional dilemma between maintaining growth and restraining inflation."

Miyazawa said Japan's commodity prices have been stable for the past two years under the strong yen, which brought down prices of imported goods.

In its report, the organization of the West's 24 leading industrialized nations urged Japan to expand its domestic demand further in order to correct its trade imbalances with other nations.

Referring to prime lending rate hikes by major U.S. banks, Miyazawa said U.S. Federal Reserve Board Chairman Alan Greenspan has foreseen that when he announced the official discount rate hike by half a percentage point to 6.5 percent.

Major U.S. banks Thursday raised their prime lending rates by a half percentage point to 10 percent.

Takeshita To Drum Up Support for Tax Reform
*OW1108123588 Tokyo KYODO in English 1151 GMT
11 Aug 88*

[Text] Tokyo, Aug. 11 KYODO—Prime Minister Noboru Takeshita will kick off a nationwide stumping tour early next month to urge public support for a government-proposed tax reform plan which includes imposition of a new indirect tax, Liberal Democratic Party sources said Thursday.

Takeshita revealed the plan in a 50-minute meeting with LDP Secretary General Shintaro Abe at his official residence Thursday evening.

The prime minister asked Abe to work out a detailed itinerary for his domestic tour, the sources said.

He also showed firm resolve to win parliamentary approval for the six tax reform bills during the current 70-day session of the Diet, which is scheduled to last through September 26.

Takeshita will begin the trip soon after returning home on August 30 from a six-day visit to China, the sources said.

The tax bills include one imposing a 3 percent indirect tax, called a consumption tax, which will be levied on all types of goods and services.

Takeshita and Abe agreed to propose in late August that the Diet establish an ad hoc committee on tax reform in each of the two houses.

Takeshita has repeatedly said that he is staking his political life on the achievement of tax reforms in order to reduce the government's heavy dependence for revenue sources on direct taxes, particularly income levies, to secure stable revenue sources and prepare for an aging Japanese society.

The opposition camp, especially the No. 1 opposition Japan Socialist Party, has strongly resisted the proposed imposition of the consumption tax.

Terrorists Attack Home of Recruit Ex-Chairman
*OW1108134388 Tokyo KYODO in English 0846 GMT
11 Aug 88*

[Text] Tokyo, Aug. 11 KYODO—An underground group suspected of carrying out a string of terrorist acts on the mass media claimed responsibility Thursday for an attack Wednesday on the home of Hiromasa Ezoe, the founder and former chairman of Recruit Co.

The letter claiming responsibility and describing the shooting as "a warning to Recruit," arrived at the head office of KYODO News Service at noon, shortly after police investigators discovered three bullet marks in the front door of Ezoe's three-story home, located in Tokyo's Minato Ward.

Police were alerted to the incident after a maid arrived at the empty house to find that a glass plate in the door was shattered. Ezoe was reportedly not at home on either Wednesday or Thursday. Neighbors reported hearing loud bangs at 7:20 p.m. Wednesday night, but thought they were fireworks.

Ezoe, 52, resigned on July 6 as chairman of the board of Recruit Co., a company specializing in employment research, following the surfacing of an alleged share-profiteering scandal involving its subsidiary, Recruit Cosmos, and aides to Prime Minister Noboru Takeshita and other prominent politicians.

The letter claiming responsibility for the attack was signed by a group calling itself the "Sekihotai (Anti-Red Squad)," the same group which claimed responsibility for the May, 1987 shotgun attack by a masked gunman on the Hanshin bureau of the ASAHI SHIMBUN newspaper, in which one reporter was killed and another wounded.

The 144-character letter, written on a word-processor and dated Wednesday, accused Recruit Cosmos of contributing to "anti-Japanese movements" by paying the ASAHI SHIMBUN money on several occasions to place advertisements in the newspaper.

It threatened to punish as "anti-Japanese industries" other companies that similarly put advertisements in either the ASAHI SHIMBUN or the MAINICHI SHIMBUN from next month.

Police said the letter was stamped at Tokyo's Shibuya post office and is believed to have been mailed Wednesday evening between the hours of 6 p.m. and 11 p.m.

Sekihotei has on six occasions sent letters claiming responsibility for attacks on offices of the ASAHI SHIMBUN. This is the first time, however, that the group said it has attacked a private residence.

On March 12 this year, a home-made time-bomb was placed in a parking lot next to the newspaper's Shizuoka branch office. However, it failed to explode. Later the same month, former Prime Minister Yasuhiro Nakasone received a threatening letter from the group.

In September of last year, shots were fired into a dormitory for ASAHI SHIMBUN employees in Nagoya.

Police have been increasing their watch on right-wing groups this month, as August 9 was the anniversary of the Soviet Union's belated entry into the Pacific war, August 15 will mark the end of the war, and on August 25 Prime Minister Takeshita will depart on an official visit to China.

Police said that it appears that more attacks by the group are likely in the future, as it seems to have expanded its range of targets beyond the ASAHI SHIMBUN and other mass media, as well as political figures, to include private companies and others.

Officials of Recruit Co. said that this is the first time that their company has been targeted by such threats.

Recruit Cosmos, a real estate developer, has been widely accused of impropriety in giving preferential treatment in 1984 to political contacts when it sold them shares of the company's stock before it was opened to the public on the over-the-counter securities market, thereby allowing them to make huge tax-free profits when the stock value rocketed as anticipated.

Police Link Sekihotai Terrorists, Rightists

*OW1208051088 Tokyo KYODO in English 0353 GMT
12 Aug 88*

[Text] Tokyo, Aug. 12 KYODO—The terrorist group calling itself Sekihotai is probably a new underground organization that has not previously taken part in overt rightist activities although it is apparently strongly influenced by new right-wing trends, the Metropolitan Police Department (MPD) said Friday.

On Thursday, the Sekihotai claimed responsibility for a firearms attack the previous day on the home in Tokyo of Hiromasa Ezoe, former chairman of Recruit Co., who is embroiled in a scandal involving the sale of shares to aides of prominent politicians, media people and others.

A letter received by the head office of KYODO News Service from the group on Thursday described the attack on Ezoe's home as a "warning to Recruit" because it had placed advertisements in the ASAHI SHIMBUN, which has been the target of several terrorist attacks claimed by Sekihotai.

Ezoe, 52, resigned on July 6 as chairman of the board of Recruit Co., a major employment research firm, after the scandal involving the sale of shares of Recruit's subsidiary, Recruit Cosmos, to aides of Prime Minister Noboru Takeshita and other influential politicians and media people surfaced. The shares were later sold by the recipients at huge profits.

A maid at Ezoe's home found a glass pane shattered and called the police, who found three shotgun pellet marks in the front door.

The Sekihotai group also claimed responsibility for the May 1987 shotgun murder of an ASAHI SHIMBUN reporter and the wounding of another at the newspaper's Hanshin bureau in Nishinomiya, Hyogo Prefecture.

MPD public security officials have been monitoring the moves of rightist activists in Tokyo as rightist activity was expected to intensify because of several anniversaries occurring this month.

August 9 was the anniversary of the Soviet Union's belated declaration of war on Japan in 1945, August 12 is the 10th anniversary of the signing of a Japan-China friendship treaty, and August 15 is the anniversary of the end of World War II. Prime Minister Takeshita is also scheduled to leave for China on August 25.

Some members of another rightist group, the "United Front Volunteer Army," expressed understanding of the Sekihotai's philosophy corruption at their "anti-Soviet day" meeting on Tuesday, the police said.

The "army" vowed to retaliate against the police for the arrest of 11 of its members after a clash with riot police near the Soviet Embassy, in a statement read over the telephone to KYODO News Service.

However, the MPD says it has no evidence to link the group with the Sekihotai.

MPD officials said that they have decided that an "unconfirmed group" attacked Ezoe's home, coinciding with the demonstration by the new rightist "army." The Sekihotai raid came the day after the anti-Soviet demonstration.

The officials also said that the shots fired at Ezoe's door were fired from waist-level, just as in the slaying of the ASAHI SHIMBUN reporter.

Mongolia

Discussion Continues on Draft Enterprise Law

*OW1208013988 Ulaanbaatar MONTSAME in English
1701 GMT 11 Aug 88*

[Text] Ulaanbaatar, August 11 (OANA MONTSAME)—The draft law on state enterprise is still under a nationwide discussion in Mongolia. When it goes into force, the law should become an important instrument of successful advancement of economic restructuring and improvement of management.

A MONTSAME correspondent has asked O. Amarhuu, first vice justice minister of the MPR, the questions: What has emerged the working out of such a law and how it would promote the raising of the role of human factor and enhancing democratic principles in the activities of work collectives? The law is the demands of the times prompted by the progress of the country's socioeconomic development, says the minister. The 19th MPRP Congress has decided to switch over to the policy of renovating socioeconomic life and provide all-round development of democracy. In these conditions, the draft law has been brought for the nationwide discussion. It defines the country's socio-economic policy as well as the organizational structure of enterprises of all branches. The law provides legal guarantees for taking measures on the renewal of the whole economic management system introduction of a new economic mechanism, self-government and clearly formulates the basic goal of a state enterprise that is all-round satisfaction of ever-growing material needs of the people.

According to the law, the activities of state enterprises should be based on the principles of self-supporting, self-financing and competition for high efficiency and socialist [word indistinct] They are provided with broader rights to get engaged in any activities that are not banned in the Mongolian People's Republic.

Legal guarantees, envisaged by the law, grant a real chance to strengthen the full autonomy of enterprises. The Mongolian people are discussing the draft law with great interest in a businesslike manner. They highly appreciate the political, economic and ideological importance of the document and attach an exclusive significance to its perfection, O. Amarhuu underscores.

Flooding in Nagiynteel Somon Leads to 14 Deaths
OW1208102588 Ulaanbaatar MONTSAME in Russian
1330 GMT 9 Aug 88

[Text] Ulaanbaatar, 9 Aug (MONTSAME)—In recent days heavy rains have increased in some parts of the country. Heavy [words indistinct] rains fell on 4 August on the territory of the Nagiynteel Somon, Oborhangay Aymag which led to flooding in the mountains. Fourteen people died and losses were incurred by animal husbandry and farming. Local authorities are helping the victims and adopting measures to eliminate the consequences of the floods.

The MPRP Central Committee and Council of Ministers of the MPR have expressed condolences to the families and friends of those who lost their lives as a result of the natural calamity.

Briefs

Delegation to Congo

Ulaanbaatar, 9 Aug (MONTSAME)—The papers report on the departure for Brazzaville of an MPR Government delegation headed by L. Molomjamts, member of the

MPR People's Great Hural Presidium and chief of an MPRP Central Committee department. The delegation will take part in celebrations on the occasion of the 25th anniversary of the Congolese revolution. [Excerpt] *[OW1208090788 Ulaanbaatar MONTSAME in Russian* 1352 GMT 9 Aug 88]

North Korea

Organization for Joint Music Festival Detailed

SK1208110088 Pyongyang KCNA in English
1037 GMT 12 Aug 88

[Text] Pyongyang August 12 (KCNA)—The Government of the Democratic People's Republic of Korea hails and supports the proposal of Mr. Yun I-sang to hold a North-South joint national music festival and will render active support and encouragement and provide all conveniences for a success of the festival, declares Paek In-chun, chairman of the Central Committee of the Korean General Federation of the Unions of Literature and Art, Artists, in his letter to Yun I-sang on August [date indistinct].

Yun I-sang is a democrat and composer who is striving energetically for the independent and peaceful reunification of Korea while engaged in patriotic creative activities overseas.

Notifying Mr. Yun I-sang that the great leader President Kim Il-sung had received a letter from him, Paek In-chun writes:

I do not doubt that the North-South joint national music festival proposed by you would make a positive contribution to the creation of an atmosphere of national reconciliation, unity and peaceful reunification in our country.

In this sense, we once again warmly hail and support your initiative for the festival.

Availing myself of this opportunity, I assure you that the government of our Republic will render active support and encouragement and provide all conveniences for a successful holding of the festival to suit the unanimous will and desire of the entire fellow countrymen.

Giving opinions on the business-like matters in the organization of the North-South joint national music festival, the letter says:

First, the performing organisations and size.

We intend to send to the festival able instrumentalists and singers of our Republic including the state symphony orchestra and make more than 1,500 artists of the symphony orchestra and chorus and vocal soloists appear on the stage.

Second, the program of performance.

We agree to your proposal to put on the festival stage the symphony poem "Kwangju, Forever" and the cantata "O, My Land and My Nation."

Third, the date of the festival.

We agree to having the festival toward the end of October 1988 as you proposed.

Fourth, the audience and invitation of foreigners.

We think it appropriate to let an audience of 20,000 to 30,000 come to the North-South joint national music festival each from the North and the South and we intend to send an audience of about 30,000 people who hope to appreciate the performance.

In case of foreigners, we will let them attend the festival by freely visiting our Republic at their own will as in the past period and it will be reasonable for the joint preparatory committee to issue them invitation cards.

Fifth, the place and building of the stage.

Any place on the military demarcation line would be advisable for the festival. But we think Panmunjom is appropriate.

The Panmunjom joint security area being too narrow in view of the number of the participants in the festival, we think it desirable to mark off for the festival the four square kilometer section of the Panmunjom headquarters area around Military Demarcation Line Marker No. 100.

We think it proper to totally ban the entry of military and paramilitary personnel into the festival venue and, on the day of the festival, ignore the demarcation line in the venue, letting the artists and spectators conduct free activities at the place of the festival.

Only the members of the Neutral Nations Supervisory Commission should be let to act as usual and a step be taken not to have any meeting of the Military Armistice Commission, if possible, we think.

The music festival stage and the reviewing stands should be set up through consultation at the joint preparatory committee and we inform you of our side's readiness to undertake it singly.

Sixth, Report.

The North and the South should report the festival as they think fit and, on our part, we will broadcast it live by TV and radio and provide all conditions for the free news coverage of reporters.

As for the foreign press corps, there would be no problem if they were allowed to cover it after going through regular procedures as they wish.

Seventh, Other matters.

For a success of the North-South joint national music festival, we think it reasonable to form a joint preparatory committee with you, Mr. Yun I-sang, in the chair and two or so representatives each from the North and the South and overseas and hold the music festival under the sponsorship and plan of this committee.

We inform you that we are ready to supply the necessary equipment, appliances and funds for the festival.

We think it desirable to form the joint preparatory committee within August at the latest and hold its first session as you wish, at Panmunjom or in a third country.

Specifying in the above our opinions on the organisation of a North-South joint national music festival, we express the firm belief that you will actively approve them with understanding.

Concert of Organizer's Music Held

SK1208110488 Pyongyang KCNA in English
1051 GMT 12 Aug 88

[Text] Pyongyang August 12 (KCNA)—A concert of Yun I-sang chamber music was held at the Moranbong Theatre today.

It was appreciated by Vice-Minister of Culture and Art Kim Chang-kuk and other officials concerned, artistes and working people in the city.

Played at the concert were "Duet of Cello and Harp" and other pieces of chamber music of Mr. Yun I-sang, a democrat and composer who is actively striving for the independent and peaceful reunification of the country, while making patriotic art activities abroad, and Western European classics of chamber music.

The pieces of Yun I-sang's chamber music played at the concert showed well his high technical skill of peculiar individuality and national flavor.

The performers of the chamber music group of the State Symphony Orchestra successfully depicted the ideological and thematic contents of the pieces with delicate and excellent skill and well-organized ensemble.

The concert was warmly acclaimed by the audience for the refined high artistic value of the music pieces and for the rich description of the performers.

Cross-Country Marchers Tour Pyongyang Sites

SK1208101688 Pyongyang KCNA in English
1009 GMT 12 Aug 88

[Text] Pyongyang August 12 (KCNA)—The grand national cross-country march squad of students which arrived in Pyongyang on August 9 through a more than

800 kilometre long route amid the warm welcome of people of all walks of life after starting from Mt. Paektu on August 8 visited various places of the capital.

The members of the squad first visited historic Mangyongdae, the native place dear to the hearts of the whole nation which ardently desires reunification.

Chong Kwang, a fifth-year student of the basic medicine department of Pyongyang University of Medicine, who was newly selected as a member of the North side's student delegation said: "How good it would be, if our fellow students in the South could share with us the joy of seeing Mangyongdae blessed with 10,000 sceneries and Pyongyang changed beyond recognition." And he expressed an irresistible yearning for them.

A student of Kim Il-song University who is a member of the squad took a handful of earth in Mangyongdae representing the soul of Korea, saying he would give it to the students of Seoul University who are the first initiators of the grand cross-country march and the Panmunjom talks upon arrival in Panmunjom.

A student from Pyongsong who is the son of a people's scientist hailing from the southern half of Korea carefully packed pine cones on the Mangyong Hill, saying he would give them to the students of Chonnam University in the city where his father was born and grew up.

After going round the Mangyongdae Fun-Fair, the members of the squad inspected the construction sites of Kwangbok Street where buildings for the 13th World Festival of Youth and Students are rising on a large scale at a fast speed.

On the 11th they visited Kim Il-song University.

Prof. and Dr. Cho Chu-kyong hailing from South Korea earnestly asked them to tightly hug fellow students from the South and convey them the warm feelings of kinship of the professors here when they meet them at the place of talks.

The members of the squad also went to the revolutionary martyrs cemetery on Mt. Taesong.

Merits of Parliamentary Talks Proposal Viewed
SK1108075388 *Pyongyang Domestic Service in Korean*
1150 GMT 9 Aug 88

[Commentary by station commentator Kim Kyong-pok:
"A Reasonable Proposal for Making the Joint Parliamentary Meeting a Success"]

[Text] As has been reported, a third letter from the chairman of the Standing Committee of the SPA of the DPRK to the speaker of the South Korean National

Assembly concerning the issue of convening a North-South joint parliamentary meeting was delivered to the South Korean side on the morning of 9 August at Panmunjom.

In the letter, the chairman of the SPA Standing Committee, paying attention to the fact that the South side in its reply dated 1 August, though limitedly, expressed an understanding of our proposals and agreed in principle to having talks between the parliaments of the North and the South and made clear an intention to come to the meeting with the South side to prepare for the North-South joint meeting.

He then proposed to the South side a meeting to prepare for a joint parliamentary meeting at "Tongilgak" on our side in Panmunjom at 1000 on the morning of 17 August, to be attended by 3 to 5 parliamentarians from each side to discuss issues related to holding an opening session of the North-South joint parliamentary meeting in Pyongyang or Seoul on 26 August and the working procedures that concern this.

Our proposal for and approach toward dialogue stated in the letter proceed from a positive and sincere stand toward convening a North-South joint parliamentary meeting at any cost and settling issues that concern nonaggression and the Olympics in the common interest of the nation and in a way that corresponds to the desire for reunification.

As noted in the letter, the South side's reply dated 1 August contains no small vague questions that are hard to understand. Where we proposed convening a North-South joint parliamentary meeting and discussing through it issues related to announcing a joint declaration of nonaggression and the Olympics, the South side simply proposed a North-South parliamentary meeting without mentioning agenda items.

It is hard to get a clear idea as to whether the South side's reply letter means a joint parliamentary meeting or talks between parliamentary representatives, and if it means to let representatives of other political parties, organizations, and personages of various circles participate in the meeting or to exclude them.

If the North-South parliamentary talks mentioned by the South side means talks between a few representatives of limited circles, excluding representatives of other political parties and organizations and personages of different circles, they cannot be considered appropriate talks suited to the realities.

Why? Talks of such nature cannot sufficiently reflect the will of the people of all walks of life in the North and the South. Also, the South side's suggestion that preparatory contact be made independently to deal with such pressing agenda items as the Olympics, the opening of which

is only about 40 days away, and that it be contact between the two sides involving 30 persons, bigger in scale than general talks, cannot be considered reasonable either.

However, motivated by a single-minded desire to convene a joint parliamentary meeting at an early date, we have decided to attend the meeting for the preparation of a joint parliamentary meeting without going through the bother of making an issue of such issues. This is, in itself, an expression of a magnanimous and enterprising attitude toward dialogue.

In addition, our stand proceeds from a viewpoint toward settling the issues as soon as possible while advancing a proposal for a meeting to prepare for a joint parliamentary meeting and a proposal on agenda items to be discussed at the meeting. The working procedures that concern convening a North-South joint parliamentary meeting that the two sides are to discuss include such things as venue, date, the procedures for passing through Panmunjom, personal safety, and offering conveniences. The discussion of such working procedures will not be complicated or difficult.

Stated in the letter are the reasonable ways and concrete measures that concern (each of) the issues. This being the case, if the South side is genuinely willing to settle matters, a single meeting will be enough to discuss and agree on the working procedures. The question depends on how the South Korean side will approach our sincere and reasonable proposal.

Not just the entire population of the country, but also the peace-loving people of the world hope that North-South relations will be improved and practical measures taken for peace and peaceful reunification through successfully holding the North-South joint parliamentary meeting.

If the South Korean politicians genuinely love the nation and are concerned about the future of the people, they should affirmatively respond to our side's proposal, which presented realistic ways to settle issues.

South Students Inaugurate Cross-Country March
SK1208103188 Pyongyang KCNA in English
1027 GMT 12 Aug 88

[Text] Pyongyang August 12 (KCNA)—1,800 students of 15 universities across South Korea on August 11 held meetings to start on the march and demonstrations for the August 15 student talks, braving the hysteric crack-down of the fascist clique, according to reports from Seoul.

Streamers reading "oppose single-handed Olympic hosting that fosters permanent division," "oppose concealment of mastermind of massacre and irregularities and dictatorial Olympics," etc. were hung at the campus sites of the inaugural ceremonies of the grand cross-country march and the August 15 student talks.

And the loud slogans "let us meet at Panmunjom for reunification," "let us go from Mt. Hanna, come from Mt. Paektu" and "North and South to reunification and Yankee to America" burst forth from among the crowds of students who turned out in demonstrations with ardent longing for national reunification.

At Seoul University 300 students held a rally for the August 15 student talks at the campus library and angrily denounced the crimes of the fascist clique in brutally suppressing the rallies and demonstrations related to the student talks such as the grand cross-country march.

They resolved to force the August 15 student talks, not yielding to any repression by the fascist clique.

Daily Condemns South for Blocking Students
SK1208044588 Pyongyang KCNA in English
0432 GMT 12 Aug 88

[Text] Pyongyang August 12 (KCNA)—NODONG SINMUN Friday condemns the South Korean fascist clique for desperately blocking the grand cross-country march of students and the August 15 student talks.

The No Tae-u group took to police station nine members of the reunification vanguard for the grand cross-country march who held the inaugural ceremony of the grand march at Lake Pangnok on Mt. Halla on August 9. It posted 7-8 combat police companies around campuses to "totally block" the inaugural ceremonies of the grand cross-country march scheduled at universities in Seoul on August 10, and mobilized over 34,000 police of 230 companies to block the way of members of the reunification vanguard to Pusan and Kwangju.

These desperate efforts are a vicious challenge to the South Korean students and people desirous of national reconciliation and unity, peace and reunification of the country, and an unpardonable crime against dialogue and reunification of the North and the South, says the paper in a signed commentary.

It continues:

The No Tae-u military fascist clique's desperate efforts to block the grand march of students for reunification and the August 15 student talks show that the clique is obsessed with a self-righteous and anachronistic way of thinking to monopolise the dialogue and abuse it for the purpose of separation and that it has no desire for national reconciliation and unity, dialogue and reunification. They also prove that the clique's loud call for exchange of students between the North and the South is a sheer lie and that the "July 7 declaration" of the traitor No Tae-u is no more than an advertisement aimed at misleading public opinion, dulling the tendency of students and people toward reunification and bridging over the ruling crisis.

If the No Tae-u group truly wants reunification and is interested in exchange of students, it must provide conditions for the students' grand cross-country march and Panmunjom talks, release the illegally jailed students and immediately stop the racket of searching for and arresting the members of the South side delegation to student talks and the members of the reunification vanguard.

The South Korean students and people should discharge their duty and mission for history and the nation by realising the grand march for reunification and national salvation and the August 15 Panmunjom talks.

Jamaica Press Warns Olympic Tourists of Hepatitis

SK1108042588 *Pyongyang KCNA in English*
0416 GMT 11 Aug 88

[Text] *Pyongyang* August 11 (KCNA)—The Jamaican newspaper DAILY GLEANER August 6 warned Olympic tourists intending to go to Seoul against hepatitis.

In its article headlined "Warn Olympic Tourists Against Hepatitis" the newspaper said:

A major pharmaceutical company in Jamaica warned the Jamaican sports fans who are going to visit Seoul to see the 1988 Olympic games that they should know the danger of being infected with hepatitis virus (b) prevalent in South Korea.

Referring to the spread of hepatitis in South Korea, the company said: "With the approach of the Olympic games we remind the masses of the danger of being infected with hepatitis."

Chongnyon Head Meets Chinese Envoy to Japan

SK1208042588 *Pyongyang KCNA in English*
0417 GMT 12 Aug 88

[Text] *Tokyo* August 10 (KNS-KCNA)—Han Tok-su, chairman of the Central Standing Committee of the General Association of Korean Residents in Japan (Chongnyon), met and had a friendly conversation with the Chinese ambassador to Japan on August 10.

Present on the occasion were First Vice-Chairman Yi Chin-kyu, and Vice-Chairman Pak Chae-no, of the Chongnyon Central Standing Committee.

The ambassador supported the proposal for the convocation of a North-South joint parliamentary meeting and other proposals of the DPRK for reunification and promised continued efforts to develop Sino-Korean relations in the future.

'Rimpac-88' Part of Aggressive U.S. Strategy

SK1208043588 *Pyongyang KCNA in English*
0423 GMT 19 Aug 88

[Text] *Pyongyang* August 12 (KCNA)—The "Rimpac 88" military exercises which began in a vast sea of the central Pacific from the middle of June closed on August 6, according to a report.

The nearly two-month long exercises involved 45 battle-ships and submarines, about 200 planes and above 50,000 effectives from the United States, Japan, Canada and Australia.

It must be noted that the South Korean puppet Navy joined in these military manoeuvres the pivot of which was the U.S. Navy and the Japanese Maritime "Self-Defence Force".

South Korean puppet naval officers participated in the exercises aboard the same ship with the Japanese Maritime "Self-Defence Force" and the Japanese ships tailed behind the U.S. imperialist pirate ships as an "escort" of the U.S. aircraft carrier flotilla with carrier "Nimitz" as the flagship.

The course of the "Rimpac 88" manoeuvres based on a plan of "division of duty" which the U.S. imperialists had worked out according to their aggressive Asian strategy clearly proved that the U.S.-Japan-South Korea triangular military alliance was just taking the orbit of war and preparations for a massive hurling of the Japanese "Self-Defence Forces" on to the Korean front "in case of emergency" were being wound up in a very dangerous stage.

PRC, Other Delegations Arrive 12 August

SK1208111088 *Pyongyang KCNA in English*
1054 GMT 12 Aug 88

[Text] *Pyongyang* August 12 (KCNA)—A Tanzanian government economic delegation headed by Amina Salum Ali, minister of state for international cooperation of the foreign ministry, arrived in *Pyongyang* Friday.

Arriving here on the same day were a friendship delegation of the Bank of China headed by its chairman of the board of directors and President Wang Deyan, a delegation of the Supreme People's Procuratorate of China headed by its Deputy Chief Procurator Feng Jinwen and a delegation of the Bulgarian Journalists Union headed by Kamen Kalinov, editor-in-chief of the Bulgarian Paper NOVA SVETLINA.

Hwang Chang-yop Meets CPC Party Workers
SK1108103188 Pyongyang KCNA in English
1025 GMT 11 Aug 88

[Text] Pyongyang August 11 (KCNA)—Hwang Chang-yop, secretary of the Central Committee of the Workers' Party of Korea, today met and had a friendly conversation with the party workers' vacationing group of the Communist Party of China headed by Wang Shoudao, Standing Committee member of the Central Advisory Commission of the party.

On hand were an official concerned and charge d'affaires ad interim of the Chinese Embassy in Pyongyang Zhang Tingyan.

Ugandan Delegation Continues Official Visit

Holds Talks With WPK
SK1108103888 Pyongyang KCNA in English
1030 GMT 11 Aug 88

[Text] Pyongyang August 11 (KCNA)—Talks between the delegations of the Workers' Party of Korea and the National Resistance Movement of Uganda were held here today.

Present at the talks on our side were Secretary of the WPK Central Committee Hwang Chang-yop and officials concerned and on the opposite side were the members of the delegation led by Amanyia Mushega, member of the National Resistance Council of Uganda and minister of local government.

The talks proceeded in a friendly atmosphere.

Meets With Pak Song-chol
SK1208104088 Pyongyang KCNA in English
1035 GMT 12 Aug 88

[Text] Pyongyang August 12 (KCNA)—Pak Song-chol, member of the Political Bureau of the Central Committee of the Workers' Party of Korea and vice-president, met and had a friendly talk today at the Mansudae Assembly Hall with the delegation of the National Resistance Movement of Uganda led by Amanyia Mushega, member of the National Resistance Council and minister of local government.

Present on the occasion was Vice-Director of a department of the WPK Central Committee Kil Chae-kyong.

Kim Il-song Cables Congolese President
SK1208102788 Pyongyang KCNA in English
1024 GMT 12 Aug 88

[Text] Pyongyang August 12 (KCNA)—Comrade Kim Il-song, general secretary of the Central Committee of the Workers' Party of Korea and president of the Democratic People's Republic of Korea, sent a message of

greetings on August 11 to Denis Sassou-Nguesso, chairman of the Central Committee of the Congolese Party of Labor, president of the Republic and head of government, on the 25th anniversary of the victory of the August revolution, the national day of the Congolese people.

Noting that the victory of the August revolution in the Congo brought about a fundamental turn in the history of the Congolese people, the message says:

Today the Congolese people under your correct leadership are registering big successes in the efforts to defend the gains of the revolution and build an independent national economy.

I take this opportunity to sincerely wish you and your people greater success in the work to build a prosperous, new Congo on the road of socialist development and achieve the complete liberation and unity of Africa.

I believe that the friendly and cooperative relations between our two countries will further develop.

Anju Meeting Marks Romanian Anniversary
SK1108103588 Pyongyang KCNA in English
1028 GMT 11 Aug 88

[Text] Pyongyang August 11 (KCNA)—A meeting was held today at the Anju Theatre to mark the 44th anniversary of the victory in the anti-imperialist, anti-fascist, socio-national liberation revolution in Romania.

Present at the meeting on invitation was Romanian Ambassador to Korea Nicolae Girba.

Personages concerned and working people in Anju city were present.

Speeches were exchanged at the meeting.

Foreign Media on Preparation for Youth Festival
SK1108151688 Pyongyang KCNA in English
1500 GMT 11 Aug 88

[Text] Pyongyang August 11 (KCNA)—Foreign mass media reported about brisk preparations in the DPRK for the 13th World Festival of Youth and Students.

In an article entitled "Festival Preparations in Pyongyang" the PRENSA LATINA News Agency August 2 introduced preparations made in Pyongyang for colorful events to be held during the festival and stressed that the mass gymnastic display to be performed by Pyongyang school children would leave deep impressions at the guests.

The August 2 issue of the Vietnamese newspaper QUAN DOI NHAN DAN carried an article headlined "The DPRK builds Kwangbok Street in Speed Campaign"

and the Somali newspaper OGAL July 22 reported that theatres, cinema houses, stadiums, etc. are now under construction at fast tempo in Pyongyang for the festival.

The Democratic Yemeni newspaper SHABAB YEMEN July 27 printed an article captioned "Preparations for 13th World Festival of Youth and Students are Going on Successfully."

It introduced that the vast construction projects for the festival are progressing apace in the DPRK. This is entirely attributable to the wise guidance of the dear leader Comrade Kim Chong-il, the newspaper stressed.

The Pyongyang festival, the daily said, will be an international event to demonstrate the high spirit and the united strength of the progressive youth and students of the world, a grand festival of friendship and an important event of weighty significance in developing widely and soundly the movement of the world youth and students and the festival movement and developing in strength the anti-war, anti-nuclear peace struggle of the world people, youth and students.

On July 31 Afghan radio and television also introduced the DPRK's preparations for the festival.

Relay Teams Convey Letters to Kim Il-song

SK1208103588 *Pyongyang KCNA in English*
1031 GMT 12 Aug 88

[Text] Pyongyang August 12 (KCNA)—People in different parts of the country held mass rallies to adopt letters of loyalty to the great leader President Kim Il-song who has devoted his all to the prosperity of the country and the happiness of the people and to the Central Committee of the Workers' Party of Korea on the 40th birthday of the Democratic People's Republic of Korea, and send off relay race teams to convey the letters to Pyongyang, the capital of revolution.

Among the teams are heroes of the Republic, labor heroes, unassuming people of meritorious service, labor innovators, model workers of science, education, culture and art, public health and sports, soldiers, public security men, school youth and children.

Mass rallies were held at different places prior to departure of the teams.

The relay race teams of people of different provinces, soldiers of the Korean People's Army and school youth and children from across the country the secret camp in Mt. Paektu, a holy land of revolution, height 1211, Hoeryong, Lake Samil, Changsong, etc. for Pyongyang as of August 12.

Working people, soldiers, school youth and children warmly greet and send off the teams.

Daily Praises Independent Revolutionary Line

SK1108040188 *Pyongyang Domestic Service in Korean*
0418 GMT 8 Aug 88

[NODONG SINMUN 8 August special article: "The Independent, Self-Reliant, and Self-Defending Revolutionary Line is a Victorious and Prosperous Banner of Our Republic"]

[Text] The DPRK, our glorious fatherland, has traversed the proud path of shining victory. The great pride that we take in looking back over the 40-year path of the Republic is that we have vigorously advanced under the banner of the great chuche idea, the independent, self-reliant, and self-defending banner.

The independent, self-reliant, and self-defending revolutionary line of our party is a guiding principle for independence, a powerful tool to build a mighty and prosperous new fatherland, and an encouraging banner to defend and glorify the honor and prestige of the country and nation. The victories and successes, which our people have won through the difficult and thorny path of the revolution, and the precious and proud things, which shine as symbols of the invincible might of our fatherland and nation, are all the noble fruition of the independent, self-reliant, and self-defending revolutionary line of our party.

Through today's great reality, in which the golden age of great prosperity and development unprecedented in the history of our nation has opened, and through the practical experiences in their lives, our people have realized deep in their hearts that the path pointed by our party—the independent, self-reliant, and self-defending path—is the most righteous way. Thus, in the future, too, they will always continue to adhere to this line and accelerate the revolution and construction.

1. The independent, self-reliant, and self-defending revolutionary line of our party is a correct guiding principle that illuminates the path towards building a powerful, independent, and self-reliant state.

The great leader Comrade Kim Il-song has taught: Our party's policy to strengthen the political, economic, and military might of the country through all of our possible efforts is the most righteous way to accelerating the victory of the Korean revolution.

In the state-building and state activities, the question of what line to adopt is a life-and-death matter linked to the destiny of the country and nation. Only by possessing a correct line can each nation seek an invariable policy without abandoning an independent stand under all difficult and complicated circumstances and carry on the struggle to achieve the prosperity and development of the nation along the single path. Thus, the future of the country and nation and the bright future of the revolution entirely depend on the basic strategic line that is a fundamental guiding principle in building the state.

Having a correct line in building the state has become even more urgent in our era. Our era is the era of independence in which the people, who once suffered exploitation and oppression, have crushed the iron shackle of subjugation and oppression throughout the world and have vigorously turned out to achieve national and class liberation. In our era, the struggle to achieve sovereignty and independence and to build a new society is carried out with each national state as a unit, and the revolution in each country demands that the people in each country take charge of it. Under these circumstances, without a genuine line on building the state, each country cannot victoriously pioneer the path of prosperity and development.

The great leader Comrade Kim Il-song, by creating the immortal *chuche* idea in the early days and putting forth the independent, self-reliant, and self-defending revolutionary line to embody it, has correctly elucidated the principle of building the state and the path. This is a complete answer to the question of the line in building the state of our era, and is a great historic feat of the respected and beloved leader's contribution to the prosperity and development of our fatherland and to the cause of mankind for independence.

The independent, self-reliant, and self-defending revolutionary line elucidated by the great leader Comrade Kim Il-song is the most righteous guiding principle to build a sovereign and independent state, which should be upheld as long as there exist borders, national distinctions, and imperialism. The correctness and vitality of the independent, self-reliant, and self-defending revolutionary line of our party is, above all, that it is a powerful tool that enables us to firmly defend the sovereignty of the country and nation.

Sovereignty is the life of the country and nation. Despising the sovereignty of a nation is identical to despising the nation itself. Only by exercising sovereignty can a country and nation display its honor and prestige. At the same time, only sovereign national states can achieve genuine independence and prosperity.

The sovereignty of a country and nation can by no means be achieved automatically. To firmly exercise the right of national self-determination, a sovereign, prestigious, and powerful state must be built and, toward this end, the principle of being independent in politics, being self-reliant in the economy, and defending oneself through national defense must be maintained.

Maintaining political independence is the prime symbol of a sovereign independent state. If a regime is not politically independent but acts according to the baton of other people, such a regime can never be regarded as a sovereign independent state. The honor and prestige of a country and nation are displayed not by its existence but by the politics of a regime under the leadership of a party and leader.

Society is maintained and developed through politics. Thus, only through correct politics can a country and nation be prosperous and the revolution and construction be vigorously carried out. Correct politics means independent politics—politics through which all lines and policies are independently decided and implemented according to the situation in a country. After all, only a nation that pursues such politics can become a free and prestigious nation.

To strengthen and achieve the sovereignty of a country and nation, the principle of being self-reliant in economy and defending oneself through national defense must be adhered to, while maintaining independence in politics.

Economic self-reliance is a material foundation of political independence, and defending oneself through national defense is a military guarantee for a sovereign independent state.

Without a powerful self-reliant economy and strong self-defending capabilities, the sovereignty of a country and nation is nothing but empty words. The historic experience and reality of the revolutionary struggle in our era show that each country cannot firmly exercise its national sovereignty and defend the gains of the revolution, which have been earned by blood, but it can only depend on foreign forces, if it has no self-reliant economy and no capabilities to defend its territory and sovereignty.

Thus, in state-building and state activities, independence, self-reliance, and self-defending capabilities are a principled question in strengthening the sovereignty of a country and nation. In addition, only by maintaining this line, can national prestige be defended and glorified.

The correctness and vitality of the independent, self-reliant, and self-defending revolutionary line of our party also lies in its elucidation of the way to extraordinarily accelerating to build a powerful, sovereign, and independent state by trusting the might and wisdom of one's own nation and by fully mobilizing the resources of one's own country.

In building a powerful sovereign state, what to depend on is very important. In this regard, trusting the might of one's own nation is the way to victory and prosperity, and trusting foreign forces is the way to national ruin.

Those people who resolutely struggle, believing in their own strength, can carry out any difficult task. However, those people who rely on others, without believing in their own strength, cannot carry out anything properly. Of course, newly independent countries may receive foreign assistance to make their countries become rich and developed. However, this can prove its worth only when these countries have their own independent strength and only when the people have the firm ideology and determination to build their countries into rich and

powerful countries with their own strength. Therefore, in order for each country and each nation to accelerate the revolution and construction, it is imperative for them to mobilize their own strength first.

The independent, self-reliant, and self-defending line of our party is a most correct guideline in building an independent country in our times because the line elucidates the revolutionary line that the revolution of one's own country should be carried out through one's own efforts and strength.

The independent, self-reliant, and self-defending line itself is precisely the banner of self-reliance. Carrying out the revolution in an easy-going manner without believing in one's own strength while ignoring the boundless potential available in one's own country and only relying on others has nothing to do with the independent stand, the independent, self-reliant, and self-defending principles. Carrying out the revolution of one's own country and pioneering the destiny of one's own nation to the end, in a responsible manner, and with one's own strength—even though it is difficult and arduous to do so—is precisely the basic spirit of the independent, self-reliant, and self-defending revolutionary line. Therefore, when this line is thoroughly materialized, all of the superiority and boundless potential that a nation possesses can be extensively displayed and enhanced and amazing miracles can be created in the revolution and construction.

The people who have been armed with the independent, self-reliant, and self-defending revolutionary spirit can break through any arduous difficulties with their own strength. At the same time, these people firmly adhere to the principle of accepting other people's experience, when they are required to accept it, in conformity with the demands of their own nation and with the situation of their own country.

The independent, self-reliant, and self-defending revolutionary line elucidated by the great leader Comrade Kim Il-sung is the banner of struggle, the banner of victory, to expedite the final victory of the anti-imperialist cause for independence, the socialist and communist cause, by smashing all sorts of the imperialists' maneuvers for aggression and intervention. Herein lies another correctness and revolution-mindedness of the independent, self-reliant, and self-defending line of our party.

The struggle for independence of a country and nation has been carried out amid the fierce class struggle against the imperialists. The imperialists who have met their doom are desperately running wild to save their ruining destiny.

Noisily raising the sighboard of peace and assistance outwardly, the imperialists are constantly perpetrating political intervention, economic pressure, and open

arms invasion against small and divided countries and newly emerging countries, while exercising the self-restraint not to aggravate relations with big countries.

Not only in the past, but also today, no countries among the countries in all the continents and regions of the world that advance along the road of independence and sovereignty, have not undergone misfortune and sufferings and seen its sovereignty trampled underfoot. Therefore, the people of all countries who treasure independence and who love peace should firmly unite and sternly smash all sorts of maneuvers for intervention and the aggression of the imperialists. In the course of this struggle, embodying the independent, self-reliant, and self-defending principle becomes a most revolutionary way.

It is the inherent nature of the imperialists to become servile before strong men and to become outrageous before weak men. The independent, self-reliant, and self-defending line elucidates a revolutionary way that make it possible to strengthen by all means the might of the country in all fields—political, economic, and military. Therefore, when each country advances, firmly grasping this line, its independent strength—its political, economic, and military strength—can be incomparably strengthened and, at the same time, the revolutionary forces of the world can be firmly deepened.

The country that is independent in politics, self-reliant in the economy, and self-defending in national defense cannot only achieve its national prosperity with its own strength, but can also sternly check and frustrate all maneuvers for aggression and intervention of the imperialists.

If and when the number of such rich and powerful independent countries increases and, thus, if and when the whole world becomes independent, the policy of aggression and plundering of the imperialists, including the U.S. imperialists, will become helpless and the lifeline of the imperialists who have maintained their dirty fate through merciless exploitation and plundering against newly emerging countries will be severed completely.

Our party's revolutionary line on realizing independence in politics, self-reliance in economy, and self-defending through national defense is a great, encouraging banner that inspires infinite faith and courage among the people who are struggling against the imperialists and for the independence, sovereignty, and building of a new society.

With the presentation of this great line, not only the people of each country have come to possess a mighty weapon that makes it possible to defend their position and dignity as masters of their country, but also has opened the brilliant road that can cut off the lifeline of the imperialists and that can build an independent new world. In particular, with the presentation of the independent, self-reliant, and self-defending revolutionary

line, bright prospects have unfolded that make it possible for the people of the small and backward countries, which were oppressed and treated contemptuously in the past and which had no voice in the international arena, to infinitely glorify their national pride and dignity, free from all forms of subjugation and inequality.

The great achievements of the respected and beloved leader Comrade Kim Il-song—who has unfolded the new history of building an independent and sovereign state in our times by creating the immortal *chuche* idea and, based on it, by elucidating the independent, self-reliant, and self-defending revolutionary line—will shine forever, together with the history of our popular masses' struggle for independence, the history of our Republic, which is enjoying infinite grandeur and prosperity.

2. The independent, self-reliant, and self-defending revolutionary line of our party is the banner of great creation and change that has been brilliantly embodied in the practice of our revolution and that has consequently brought about epochal miracles and changes.

The great leader Comrade Kim Il-song has taught: The correctness and vitality of the line of independence in politics, self-reliance in the economy, and self-defending through national defense that our party has firmly adhered to have been proven in history through our people's revolutionary practice.

A great line produces a great reality. Living and carrying out the revolution in the *chuche* fatherland where the independent, self-reliant, and self-defending revolutionary line of our party has been brilliantly embodied is precisely a great honor and pride of our people. The course of the struggle for building a rich and powerful new fatherland in our country was an unprecedentedly arduous one. Over this course, our people had to traverse the new road that no one had been on before, had to surmount all sorts of trials in the fierce war, had to rehabilitate the miserable disaster of the war, and thus had to undergo all sorts of trials and difficulties.

Although this road of struggle was very arduous and rugged, thanks to the wise leadership of the party and the leader, our people have been able not only to firmly maintain the independent, self-reliant, and self-defending principle in the revolution and construction, but also to advance the cause of building a rich and powerful independent and sovereign state along a single and straight road without the slightest degree of deviation.

The 40-year history, in which our Republic has advanced, breaking through numerous hills of arduous trails, is precisely the history of the tested leadership of the great leader Comrade Kim Il-song and the history of our party's energetic activity.

Numerous classical works, including "Let Us More Thoroughly Embody the Independent, Self-Reliant, and Self-Defending Revolutionary Spirit in All Fields of the

State's Activity" and "The Task of the People's Government To Model the Whole Society After the *Chuche* Idea," fully reflect the immortal achievements of the leadership of the respected and beloved leader who has firmly grasped the independent, self-reliant, and self-defending revolutionary line and has wisely led the struggle to implement the line in the front.

Over the entire period of his leadership in building a new society, the respected and beloved leader Comrade Kim Il-song, through his extraordinary ideology, theory, and practice, has not only extensively elucidated all principled problems that arise in embodying the independent, self-reliant, and self-defending revolutionary line, but has also led our people to victory and glory by resolving numerous trials and difficulties with his infinite devotion to the country and people and with his iron-like will.

The efforts and considerations of the respected and beloved leader for the prosperity and development of our country, including the strengthening of the party and the people's government, the firm building of the main force of the revolution, and the preferential development of the heavy industry, and the simultaneous development of the light industry and agriculture, are incalculable.

In the history of our Republic, which has traversed a single road of grandeur and prosperity under the banner of independence, self-reliance, and self-defence, the period of modeling the whole society after the *chuche* idea is very significant. As the struggle for remolding nature and society and for reforming men in conformity with the demands of the *chuche* idea under the party's leadership has been extensively unfolded at a new high stage, our state and social system has been incomparably deepened and consolidated; the might of the self-reliant national people has been further strengthened; and education, science, culture, and arts have brilliantly flowered and developed.

Valuable and great things that are beaming brilliant rays as the symbol of the powerful and dignified appearance of Korea and as the symbol of our dignified nation have all been provided by our party and are a precious fruition produced by the independent, self-reliant, and self-defending revolutionary line.

On the road to embody the independent, self-reliant, and self-defending revolutionary line, the political independence of our Republic has been exceedingly strengthened above all under the wise leadership of the party and leader. As elucidated by our party, politics are an area that has a decisive significance in social life, and we cannot mention any independence apart from independence in politics.

The respected and beloved leader Comrade Kim Il-song elucidated that the principles of the *chuche* idea should be embodied more in politics than any other fields, and has always paid foremost attention to strengthening the political independence of the country. To realize the

political independence of the country, we should establish a people's regime, organize an independent political force, and define and execute all lines and policies independently. Under the wise leadership of the party and leader, all these important things have been realized brilliantly.

Based on the glorious tradition of building a regime that he established in the blaze of the anti-Japanese revolutionary struggle, the great leader founded a people's regime of a new type without delay after the liberation in 1945 and energetically led the regime of the Republic so that it could establish all lines and policies thoroughly, in conformity with the reality of our country and so that they could be implemented by the strength of our people. As a result, our people became the masters of an independent regime for the first time in history and a proud and dignified nation who carry out everything with their guiding ideology, their independent line and policy, and according to their own resolution.

That the political force of the Republic was firmly solidified under the leadership of the party and leader was the most valuable success attained in strengthening political independence. In our country today, the leader, the party, and the masses are firmly united, based on one ideology and will. The leader's ideology is the faith of the party and people, and the idea of the party and leader is the will and aspiration of the people. At no other time in the history of our country have all the people, including workers and agricultural people, been more firmly united around the party and leader in a single mind and will and advanced more vigorously with one aspiration and objective than today. With the establishment of this indestructible unity and cohesion, which cannot be found anywhere else and which cannot be broken by any power, and a strong independent revolutionary force, the sovereignty of our Republic is firmly guaranteed and our people can successfully carry out any difficult and enormous task for the revolution and construction.

The brilliant success attained on the road of realizing the independent, self-reliant, and self-defending revolutionary line is that a firm base in the self-reliant national economy has been provided. To build a self-reliant national economy is an essential requirement to repel the imperialists' neocolonialist policy, to completely find a way out of their domination and exploitation, to liquidate national inequality, and to successfully build socialist and communist societies.

Our country's independent national economy was built under very arduous conditions. We had to build a new society literally from scratch on the ruins of complete devastation from the war that was provoked by the U.S. imperialists. Moreover, we had neither materials nor funds, nor units of national cadres then, and the enemies within and without were on the constant lookout for aggression. Although the situation was as difficult as this, the great leader Comrade Kim Il-song had the firm will that as long as there are the people, the territorial land,

the party, and the people's regime, we can build a prosperous and powerful new country, and pushed ahead all the tasks of rehabilitating the economy, stabilizing the people's lives, and building the economic base of an independent sovereign state.

Thanks to the great leader's refined leadership, an original road to socialist industrialization was elucidated and a great vigorous march of the chollima movement began. As a result, we were able to build a socialist industrial state at last in the short period of little more than 10 years in the land of our country that had been turned to ashes.

Even after the completion of the industrialization, the great leader vigorously organized and mobilized our people on many occasions to enable them to brilliantly carry out the long-range goal, continuously holding up the banner of the revolution. Today, the great leader has put forth the grand plan of the Third 7-Year Plan and is leading the struggle for its realization at its head. Under this refined leadership of the great leader, our people have vigorously traversed the road by leaps and bounds with overflowing faith and optimism, and our self-reliant national economy now demonstrates its dignified appearance to the entire world.

Our economy, which was not even capable of producing a pencil properly in the past, has today been transformed into a diversified and comprehensive economy capable of satisfactorily meeting all material needs of the country and people and into a developed and independent economy in which all sectors are equipped with modern technology and operate with its own natural resources and raw materials. The building of the Sohae lockgate, which blocks the 20-ri raw sea, in only 5 years, and the construction of the Suncheon Vinalon Complex, the Sariwon Potassium Fertilizer Complex, and Kwangbok Street and other large-scale construction projects that are unprecedented in the history of our country are a clear proof showing the firmness of our self-reliant national economy.

The problem of lack of men of technological ability that we suffered immediately after the liberation has been brilliantly solved, and we now have a great force of intellectuals of some 1.3 million men, who are managing and operating the people's economy excellently.

Because we have this mighty self-reliant economy capable of firmly guaranteeing national sovereignty economically, we are continuously developing production, construction, and science and technology at a rapid speed, without being adversely affected by the worldwide economic fluctuations, and are fully enjoying an independent and creative life.

On the road to implement the independent, self-reliant, and self-defending line upholding the wise leadership of the party and the leader, the defense capabilities of the country have also been firmly solidified. Because our

party's self-defending military line—the basic contents of which are turning the whole army into cadres, modernizing the whole army, arming all people, and turning the whole country into a fortress—has been realized, our People's Army has been strengthened and developed into a strong revolutionary armed forces of one-a-match-for-a-hundred, well-prepared politically, ideologically, militarily, and technologically, and a superior all-people's and all-country's defense system has been firmly established all over the country.

The correctness of the independent, self-reliant, and self-defending revolutionary line of our party has been clearly proved also in the activities of the Republic that has made consistent efforts to develop international relations. Through the brilliant embodiment of the independent line, our country, based on the principle of complete equality and reciprocity, has established close political and economic relations with the socialist countries, with the newly developing countries, and with all those countries of the world that respect our sovereignty. In the future, too, our Republic, under the banner of independence, will continue to ceaselessly strengthen and develop friendly and cooperative relations with the peoples of all those countries that cherish independence.

The independent, self-reliant, and self-defending revolutionary line put forth by the great leader Comrade Kim Il-song is indeed the great banner of creation and change that has enabled us to build a developed and prosperous new fatherland on the soil that was once dominated by exploitation and poverty. At the same time, it is the banner of independence and national prestige that has made our people to permanently exercise the sacred rights of national self-determination without becoming slaves of other people again.

In retrospect, of course, we have experienced indescribable trials and difficulties along the road of advance under the banner of independence. However, while suffering the heartbreaking tragedy of national division and carrying out the revolution and construction under the continuing confrontation with the U.S. imperialists, the ringleaders of the world reactionaries, our people could not take an easy way or seek only peaceful construction. We had to implement the independent, self-reliant, and self-defending line, while tightening belts, carrying out arduous struggle, and sweating to accomplish two or three tasks when other people were accomplishing a single task.

If we did not try to overcome difficulties by our efforts and did not move forward along the road of advance but sought an easy way out for temporary comfort, we would have never been able to establish the great chuche independent and self-reliant socialist fatherland and to display our honor as a prestigious people.

Despite the backward situation of the past, under the wise leadership of the party and leader, we have been able to overcome the backwardness of the century

through our efforts and establish a strong and independent developed country. This is precisely a truth that has been proved by the 40-year history of our Republic.

The creation of this precious experience is a pride and reward for our people who have carried out the arduous struggle by overcoming countless trials and difficulties, and is a great feat of our Republic that has contributed to the cause of independence.

3. The independent, self-reliant, and self-defending revolutionary line of our party is a banner of continued revolution and a banner of everlasting victory that our people should continue to uphold in the future, too.

The cause of building a powerful and rich independent country is a long-range struggle. Just as the people's demand for independence grows ceaselessly, the people's aspiration to live even more independently and creatively in an even richer and more prosperous country also grows ceaselessly. Therefore, the people should continue to struggle persistently to make their fatherland even richer and even more developed and, toward this end, they should continue to uphold the independent, self-reliant, and self-defending banner.

The independent, self-reliant, and self-defending banner is a militant banner that should be constantly upheld, as long as there exist borders, national distinctions, capitalism, and imperialism.

Even if sovereignty is achieved and a socialist system is established, it is impossible to smash the imperialists' pressure and aggressive maneuvers and defend the victorious revolution, if a strong independent strength is not nourished in the political, economic, military, and all other areas of the revolution and construction. This is a truth shown by history.

The revolution continues, and generations ceaselessly change. To be honored before the era, the revolution, and our descendants, we should continue to uphold the independent, self-reliant, and self-defending banner.

Along the 40-year revolution under the flag of the Republic, we have always been faithful to the mission of the era and have accomplished many things for which we can take pride before our descendants. Under the leadership of the party and leader, our people have established the most superior chuche socialist system under that our nation can permanently enjoy genuine freedom and happiness, and have established the economy and nourished the defensive capabilities with which our people can be continuously self-reliant and can defend the prestige of the nation by their own efforts.

At the same time, even in constructing a building structure, we have built it as a permanent monument of creation and, even in composing a song, we have composed a song that can be proudly sung even by our distant descendants.

The way we can continue to create such a proud history is only the independent, self-reliant, and self-defending way. To achieve national sovereignty as a whole and turn our superior *chuche* socialist fatherland into an even happier people's paradise and to defend the gains of our revolution and provide an even greater happiness for our descendants, we should continue to implement the independent, self-reliant, and self-defending line of our party.

In implementing the independent, self-reliant, and self-defending revolutionary line of the great leader Comrade Kim il-song, the most preferential question is to arm ourselves with our party's ideology and theory to establish a *chuche*-oriented spirit in ideology.

Comrade Kim Chong-il, member of the Presidium of the Political Bureau, and secretary of the party Central Committee, has noted: Establishing a *chuche*-oriented spirit in ideology is a preferential demand of the people's revolutionary struggle for independence. The revolution and construction is people's self-conscious activities. Therefore, only by establishing a *chuche*-oriented spirit in ideology, can the *chuche*-oriented spirit be established in the political, economic, nation-defending, and all other areas.

Establishing a *chuche*-oriented spirit in ideology means to possess a viewpoint and attitude as the masters of the revolution and construction, to view and implement everything with the revolution of one's own country at the center, and to settle everything by one's own wisdom and effort. Only by possessing such a viewpoint and attitude can the people love their fatherland and nation and devote themselves to its prosperity and development.

Everything is decided by ideology and thought. The might of the people who are ideologically self-conscious is endless, and they can successfully accomplish any difficult and heavy task to build a new fatherland. Therefore, our party always attaches a decisive significance to the ideological factors in stepping up the revolution and construction and achieving the prosperity and development of the country, and has fully elucidated all the questions to establish a *chuche*-oriented spirit in ideology. This includes the elucidation of the precious guiding principle to arm the working class with the revolutionary ideology and with the party line and policy, to make oneself completely familiar with one's own situation, and to possess a high national self-esteem and revolutionary self-confidence. Only by taking this ideology and theory of the party as a firm faith can we become ardent communists and patriots of Korea and actively contribute to making our independent, self-reliant, and self-defending fatherland even richer and even more powerful.

Above all, we should arm ourselves with the revolutionary ideology of our party, the *chuche* idea. The immortal *chuche* idea is a completely independent idea, and is a revolutionary leading ideology that gives perfect answers

for all theoretical and practical questions of the revolution and construction. Without the great *chuche* idea, it is impossible to think about the most righteous way, the independent, self-reliant, and self-defending way, to build a powerful independent state, and to talk about all the victories and successes won in the revolution and construction.

As the revolution and construction deepen and as the socialist construction advances to a higher stage, the party members and working people should hold the revolutionary banner of the *chuche* idea even more aloft, take the *chuche* idea as a firm faith, and live and struggle according to its demand. By so doing, as in the past, they should leave no area for any unsound idea that is against the *chuche* idea of our society. They should glorify our fatherland as an everlasting *chuche* fatherland.

Effecting a great revolutionary upsurge on all fronts of the socialist construction by upholding the leadership of our party is another important issue in achieving the prosperity and growth of the fatherland under the independent, self-reliant, and self-defending banner.

Our party is a refined staff office of the Korean revolution, an organizer of all victories of our people, and a stimulator. Unfolding a magnificent design for socialist construction, our party today is wisely leading the struggle to realize it at the van.

Thanks to the leadership of our party, which is leading the revolution and construction to a brilliant victory, the grand march of socialist construction has been vigorously accelerated and the nation's might has been strengthened each day.

Deeply cherishing the great pride in living and carrying out the revolution in the era of the Workers' Party when the fierce spirit of creation and construction soars to the skies, all party members and workers should brilliantly realize the idea of our party to build a better paradise for the people on this land by highly raising the torch of the speed battle on all fronts of socialist construction.

Historically, our people have been endlessly loyal to the party and leader and have gone through fire and water to uphold the leadership of the party. Even during the arduous period of the fatherland liberation war in which we had to wage decisive battles against the U.S. imperialist aggressors, our people fully demonstrated peerless mass heroism both at the frontline and in the rear. During the difficult postwar days when we were building the foundation for socialist industrialization by removing the ashes, our people responded to the party's call by effecting the great *chollima* upsurge.

Today, cherishing ardent loyalty to the party and leader, our people are vigorously accelerating the 200-day campaign at the final stage with full confidence and optimism.

All party members and workers should permanently glorify the history of the Republic into a history of unity and unprecedented miracles and exploits by inheriting the tradition of such loyalty generation after generation.

The independent, self-reliant, and self-defending line are the basic principle for building a wealthy, powerful independent state, are the firm faith of our people, and are the demand of our era. No matter how many times the generations of our revolution may change and no matter how long time may pass, the path of chuche along which we advance will never change.

While traversing along the victorious path under the banner of the Republic for the past 40 years, our people deeply experienced and learned the greatness of our party and the justness of our party's revolutionary lines. We will advance only along the path indicated by the chuche idea in the future and will attain unity more firmly with all the people in the world who defend independence.

The greatness of a nation and people depend on the greatness of the party and leader and the final victory of the revolution rests on the people who advance according to the correct lines.

Our people are a most dignified and proud people who advance by following the ever-victorious leadership of the party and upholding as the leader of the revolution the respected Comrade Kim Il-song who the revolutionary people of the world endlessly respect and unanimously follow as the great teacher. We carried out the revolution based on the most correct lines in the past. Even today, we are expediting the complete victory of socialism by following the most righteous and just shortcut.

The future of our Republic and our people, who are advancing by following the independent, self-reliant, and self-defending revolutionary banner whose justness and might were clearly proven in the practice of the revolution, will be always bright with victory and glory.

Stadium Roof for Youth Festival Completed

*SK1208102588 Pyongyang KCNA in English
1021 GMT 12 Aug 88*

[Text] Pyongyang August 12 (KCNA)—The roofing of the Nungnado Stadium where the opening and closing ceremonies of the 13th World Festival of Youth and Students will be held has been completed.

The vast roofing project was one of the most difficult and hard work in the construction of the stadium. With its completion the stadium made its grand appearance and an earlier completion of the construction is confidently foreseen.

The area of the peculiar parachute-shaped roofing shades is 92,000 square metres or more. [sentence as received]

The builders have successfully assembled the sloping arch beams each weighing 120 to 130 tons and above 190 shade trusses 100 to 120 metres long each.

They have also completed the heating system, water supply and drainage systems, lighting equipment and other technical projects.

They have finished the plastering of the exterior in the main and are now stepping up tiling.

Musan Mine Complex Increases Production

*SK1208042188 Pyongyang KCNA in English
0415 GMT 12 Aug 88*

[Text] Pyongyang August 12 (KCNA)—The Musan Mining Complex has carried out a huge blast almost every day in the heat of the 200-day campaign.

It made huge blasts in one district or several districts in a day, blowing a total of ten million tons of earth.

130 blasts of 100,000 ton scale were made over the last 150 days.

In this period the complex increased the production of concentrated ore 9.7 percent and earth scraping 21.7 percent as against those in the same period of last year.

South Korea

U.S. 8th Army Headquarters Relocation Viewed

*SK1208030288 Seoul CHOSON ILBO in Korean
12 Aug 88 p 1*

[By Washington correspondent Pyon Yong-sik]

[Text] Korea and the United States are reported to have agreed in principle to move the Headquarters of the U.S. 8th Army Command from its current location in Yong-san, Seoul, to another site in a local area in South Korea. The two countries reportedly are earnestly mapping out a plan for the relocation of the headquarters. In particular, the governments of the two countries are also reported to have decided to deal with the 18-hole golf course inside the headquarters as a priority task at an earliest possible date, before relocating the Headquarters of the U.S. 8th Army Command.

A source in the U.S. Administration is quoted as saying that although the details of the plan for relocating the Headquarters of the U.S. 8th Army Command in Yong-san, Seoul, has not been finalized, Korea and the United States have agreed in principle to move the headquarters and are of the same opinion that dealing with the golf course inside the headquarters is a priority task that must be carried out before anything else.

Since it requires an enormous amount of funds, the plan to move the Headquarters of the U.S. 8th Army Command, which is being mapped out between the working

teams from the two governments, and with the U.S. side demanding that the Korean side pay the expenses needed for the relocation, including the land and facilities, has not been finalized. The Korean side wants the two countries to share the expenses.

Taking into consideration the fact that the golf course inside the the Headquarters of the U.S. 8th Army Command located in the heart of Seoul has been resented by the Korean people, Korea and the United States have agreed on moving it at an earliest possible date even before the relocation of the Headquarters itself. The U.S. forces reportedly demand that in return for this, the Korean Government build another 18-hole golf course specifically for U.S. military personnel somewhere else.

The plan to move the Headquarters of the U.S. 8th Army Command is being pushed ahead because the Korean Government raised the problem first and the U.S. Administration actively accepted it. The U.S. Administration hopes that the relocation of the Headquarters of the U.S. 8th Army Command, which has long been criticized as an impediment to a balanced development of Korea's capital city as it sits in the center, will contribute to lessening the growing anti-U.S. sentiment among the Korean people.

It has not been known to where Korea and the United States plan to move the Headquarters of the U.S. 8th Army Command.

Relocation 'Agreed in Principle'

SK1208120088 Seoul YONHAP in English
1149 GMT 12 Aug 88

[Text] Seoul, Aug. 12 (YONHAP)—South Korea's presidential spokesman Friday admitted that a working-level negotiation was underway between South Korean and the U.S. Governments to move the Eighth U.S. Army Command from Seoul to a provincial area.

Presidential Press Secretary Yi Su-chong said that the governments of the two countries have agreed in principle to relocate the facilities of the Eighth U.S. Army out of the current densely-populated Yongsan District of Seoul.

Yi also disclosed that President No Tae-u instructed last March relevant government officials to consider moving the American military facilities out of Seoul with a view to solving the problems their existence may pose in the course of city planning and to promoting the conveniences of the public. He went on to say that the U.S. Government has expressed a favorable response to the Korean Government's intention to move the U.S. military base since South Korean officials explained to the U.S. secretaries of state and defense about the proposal.

The presidential spokesman also said that the two governments are planning to relocate such non-military facilities as golf course and baseball field as soon as

possible on the initial state [as received]. The U.S. facilities closely related with military purposes, however, are expected to be moved on a step-by-step basis.

Assembly Prepares To Accept North's Talks Plan

North Proposal on Day Shunned

SK1208011788 Seoul THE KOREA TIMES in English
12 Aug 88 p 1

[Text] National Assembly Speaker Kim Chae-sun will send a reply to Yang Hyong-sop, chairman of the standing committee of North Korea's Supreme People's Assembly, this afternoon.

The reply will contain a counterproposal by the Seoul parliament that a preliminary contact for a parliamentary conference between the South and the North be held next Friday at the truce village of Panmunjom.

In a letter Tuesday, Yang hoped for a preliminary meeting on Wednesday.

Chief policymakers of the four parties shunned accepting Wednesday because it might cool off an Olympic mood which is expected to be stirred with the declaration of "Olympic peace zones" on that day.

Assembly Suggests Alternate Day

SK1208095488 Seoul YONHAP in English
0938 GMT 12 Aug 88

[Text] Seoul, Aug. 12 (YONHAP)—The South Korean National Assembly Friday delivered a letter to North Korea, proposing that a preliminary contact for the proposed joint South-North parliamentary meeting be held at 11:00 a.m. [0100 GMT] on Aug. 19 at the truce village of Panmunjom.

The letter, which was signed by South Korean National Assembly Speaker Kim Chae-sun and to be sent to Yang Hyong-sop, chairman of the Standing Committee of the North Korean Supreme People's Assembly, was handed to a North Korean liaison official by his southern counterpart at Panmunjom.

In the letter, Kim expressed hope that both sides would be able to reach agreements in the preliminary meeting on procedural matters for the joint parliamentary session, including the date and venue of the session and the formation of delegations. He also called on the North to respond positively to the southern proposal.

Kim said in the letter that the South will send a delegation of five lawmakers to Tongilgak, a North Korean building in the truce village, for the preliminary talks.

Kim's letter was a reply to a letter sent to him by Yang on Aug. 9, in which he proposed a meeting of three to five lawmakers from each side on Aug. 17 to handle detailed procedural matters of the plenary session.

Yang also said in the Aug. 9 letter that Pyongyang wanted the first full-dress meeting of the South and North Korean legislatures to be held in Pyongyang or Seoul from Aug. 26 to around Aug. 30.

Seoul has tentatively agreed on the proposed joint parliamentary session through which North Korea seeks to discuss Pyongyang's possible co-hosting of the 1988 summer Olympics and a non-aggression pact between the divided Koreas.

North Korea has been boycotting the Seoul games, insisting that it be a co-host.

The International Olympic Committee (IOC), however, has rejected the North's demand on grounds that the Olympic games are normally awarded to a single city.

Analysts said the Seoul Government welcomes contacts with Pyongyang out of a belief that they could help reduce the threat the Pyongyang regime may pose to the games.

South and North Korea fought each other in a fratricidal war in the early 1950s. The two sides are yet to declare an official end to the war, although an armistice halted the fighting in 1953.

Lawmakers Selected To Attend Talks

SK1208011188 Seoul THE KOREA HERALD
in English 12 Aug 88 p 1

[Text] A five-member delegation to the preliminary south-north contact at Panmunjom was named by Kim Chae-sun, speaker of the National Assembly, yesterday.

The five lawmakers are Pak Chun-kyu and Yi Han-tong of the ruling Democratic Justice Party, Kim Pong-ho of the Party for Peace and Democracy, Pak Kwan-yong of the Reunification Democratic Party and Kim Yong-hwan of the New Democratic Republican Party.

South Red Cross Urges North To Resume Talks

SK1208015788 Seoul YONHAP in English
0146 GMT 12 Aug 88

[Text] Seoul, Aug. 12 (YONHAP)—South Korean Red Cross on Friday urged to its North Korean counterpart for an early resumption of the suspended inter-Korean Red Cross talks and the reunion of long-displaced relatives.

"It is urgent that the family reunion program be launched again as soon as possible since many displaced relatives are approaching the end of their lives," President Kim Sang-hyop of the Korea National Red Cross (KNRC) said.

The stalled inter-Korean Red Cross talks should be resumed immediately to alleviate the acute distress of 10 million separated families, Kim said in a statement

marking the 17th anniversary of the first South-North Red Cross meeting held on Aug. 12, 1971. Kim said in the statement that the KNRC will receive applications from people seeking to locate their long-separated relatives living in the communist North in preparation for a possible resumption of hometown visits.

Applications can be submitted to the KNRC headquarters in Seoul and its branch offices in provincial cities for a three-month period starting from Aug. 12, the statement said.

The KNRC has decided to launch the acceptance of applications as part of the efforts to expedite the realization of family reunion programs, Kim said.

He also urged his northern counterpart Son Song-pil to show a positive response to his appeal, and help resume Red Cross talks and hometown visits.

The capitalist South and the communist North helped some dispersed families be reunited briefly in Seoul and the northern capital of Pyongyang in September 1985 marking the first such reunions since the Korean peninsula was divided at the end of World War II.

Folk art troupes also performed in the South and North at that time.

The unprecedented inter-Korean exchanges were suspended the following year as the North severed all contacts with the South on grounds that the South continued to allow team spirit, an annual South Korea-U.S. military exercise, to be conducted.

The Red Cross talks were last held on Dec. 2-5, 1985, in Seoul. A total of 10 rounds of talks, primarily designed to help long-separated relatives be reunited, have been held alternately in Seoul and Pyongyang.

IOC Proposal on Olympic Ceremonies Welcomed

SK1208050588 Seoul YONHAP in English
0454 GMT 12 Aug 88

[Text] Seoul, Aug. 12 (YONHAP)—South Korea welcomed on Friday an International Olympic Committee (IOC) proposal that its athletes march into the opening and closing ceremonies of the Seoul Olympic games side by side with North Korean athletes, each delegation bearing its own national flag, behind the Olympic flag.

"It completely coincides with the position of the Korea National Olympic Committee (KOC) as well as the meaning of the Seoul Olympic games and the national aspiration," KOC President Kim Chong-ha said.

Kim said he received the proposal by IOC President Juan Antonio Samaranch through a cable message.

Kim added, however, that the prerequisite for realizing the IOC proposal is North Korea's participation in the Seoul games under the principles of the IOC.

North Korea had demanded that it be allowed to co-host the Olympic games but the IOC has made it clear that the Olympics have been awarded to a city—Seoul.

The IOC and KOC have expressed willingness to allow North Korea to stage five sports events of the Seoul Olympics, an idea which the North rejected.

No Tae-u on Olympic Security, Student Talks
SK1208064788 Seoul YONHAP in English
0620 GMT 12 Aug 88

[Text] Seoul, Aug. 12 (YONHAP)—President No Tae-u said Friday South Korea is now maintaining the highest level of security readiness to deter in advance any hostile act against the successful hosting of the Seoul Olympics.

"The security for the Seoul Olympics, where countries both from the East and West will be together after 12 years, is drawing international attention," No told Korean Olympic officials when he was briefed on the games' preparations at the Seoul Olympic Organizing Committee headquarters.

Airtight security, including the prevention of possible terrorist acts and disruption of the games, can be ensured after the general public as well as the participants realize that they are also security personnel for the games' success, and once they are ready to collaborate voluntarily with security personnel, No said.

Touching on radical students' attempts to hold talks with their northern counterparts at the truce village of Panmunjom, No warned that violent demonstrations by students in connection with the talks as well as their firebomb attacks on public facilities would heighten concern among foreigners over the security of the Seoul games, thus preventing a successful Olympiad.

The president also said that such reckless acts would not be welcomed by any people or country, stressing that the government will sternly cope with demonstrations during the Seoul games, slated for Sept. 17-Oct. 2.

"It is deplorable that radical students and dissidents, insisting that the Olympics be co-hosted by South and North Korea, have staged violent demonstrations which could undermine the atmosphere for the games' success," No said.

He criticized the idea of co-hosting the Olympics as an attempt to perpetuate the division of the Korean peninsula, adding that such an Olympiad would be a "divided Olympics."

Student radicals have also drawn up a plan to hold talks with their North Korean counterparts on Aug. 15 to discuss such issues as co-hosting the games and a joint pilgrimage across the peninsula.

The government, however, has vowed to block the students' attempt to march to the truce village for the proposed talks.

Police Arrest 2,099 in March to Panmunjon
OW1208101988 Tokyo KYODO in English
0944 GMT 12 Aug 88

[Text] Seoul, Aug. 12 KYODO—South Korean police said Friday they have taken 2,099 students and others into custody throughout the country since Wednesday for demonstrating and participating in a march to the border truce village of Panmunjom.

Students have been trying to march from Cheju Island off the southern tip of the peninsula to Panmunjom for talks with North Korean student delegates on reuniting the divided Korean peninsula. The Seoul government has banned the march and talks that the students plan to hold on August 15 and mobilized 34,000 riot police to contain student demonstrations.

On Friday, students coming from the west and students arriving from the east are scheduled to meet in Taechon in the central part of South Korea. Riot police were prepared to disband the meeting.

Among those held were seven members of a Seoul National University student group arrested for violating laws concerning assembly and demonstrations. Of them, 236 people were still being interrogated by the police.

About 40 students were injured in clashes with riot police in demonstrations in different parts of the country, while 13 police boxes were attacked and four police cars were set on fire, police said.

Yi Jong-nam, the public prosecutor general, said Friday the North-South student conference was directly following North Korea's revolutionary strategy against the South, and that students and other parties should refrain from taking part in order to maintain social stability.

He also instructed prosecutors all over the country to prevent the burning and occupation of public institutions as well as disruption of traffic on road, highways and railways.

Police Question Students
SK1208075188 Seoul YONHAP in English
0736 GMT 12 Aug 88

[Text] Seoul, Aug. 12 (YONHAP)—South Korean police took in for questioning a total of 2,099 student activists across the nation from Wednesday to noon Friday in

connection with unruly street demonstrations by thousands of collegians calling for inter-Korean student talks, the National Police Headquarters (NPH) said Friday.

Students staged massive demonstrations in major cities calling on the government to allow them to participate in the planned inter-Korean student talks at the truce village of Panmunjom on Aug. 15 to discuss national reunification.

The government, however, has said it will not allow the students to go to Panmunjom for the talks.

Of the 2,099 students rounded up, seven who were suspected of playing major roles in violent rallies were formally arrested, 236 are undergoing interrogation and the other 1,856 were released after police admonitions, the NPH said.

The NPH reported that across the nation 13 police boxes were attacked, four police vehicles torched and about 350 pieces of anti-demonstration equipment such as teargas bombs, protective shields and truncheons were forcibly taken during the three days of violent demonstrations in major cities.

The clashes between the students and riot police left more than 40 students and policemen injured, the NPH added.

Meanwhile, Prosecutor-General Yi Chong-nam told prosecutors nationwide to deal sternly with students who commit destructive acts under the pretext of the inter-Korean students talks, adding that some radical students set fire to a number of public facilities during the demonstrations.

In a special directive to the prosecutors, Yi said that North Korea is inciting South Korean students in line with its call for inter-Korean talks by utilizing its Workers Party's organ NODONG SINMUN and its broadcasting network.

"The North even mailed a great quantity of T-shirts and letters to student activists and dissidents here in support of the proposed South-North Korean student talks," Yi said.

"Considering all these factors, the students' planned dialogue is in line with the North's arguments including an attempt to split our national opinion and foment social disorder with the final purpose of disrupting the upcoming Seoul Olympic games," he said.

Holding student talks at the present time will obviously lead to serious consequences which will threaten social stability, Yi said.

South Korean student activists have planned to hold talks with North Korean students on Aug. 15 marking the 43rd anniversary of Korea's liberation from Japanese colonial rule. The government, however, has said the plan is unlawful.

The students planned to hold a similar meeting on June 10 but police blocked their attempt to march to the border to meet with their North Korean counterparts.

Students Protest Activities

SK1208004988 Seoul THE KOREA TIMES in English
12 Aug 88 p 3

[Text] Nearly 400 university students are being interrogated by police for their role in Wednesday's violent street demonstrations aimed at pushing ahead with their controversial inter-Korean collegians' talks scheduled for Sunday.

The students under police investigation include four who have been sought by police for their leading roles in the plan to send student representatives to Panmunjom for talks with their North Korean counterparts. They are Chon Sang-hun of Seoul National University, Yang Chong-yong of Yonsei University, Kim Chang-taek of Sogang University and Kim Tae-yon of Tansuk University.

On Wednesday when Seoul and other major cities were hit by violent street rallies till midnight, 12 police boxes were attacked and two police vehicles were destroyed by students. Three police boxes were attacked in Seoul, and five in Pusan.

About 800 students and youths clashed with police in Myongdong, downtown Seoul, Wednesday evening, and 150 of them have been staging sit-in protest at the Myongdong Cathedral since late Wednesday.

In Kwangju, demonstrating students and citizens set fire to 344 armament articles they snatched from the riot police including 155 apple grenades, 27 gas masks, 26 shields and 17 batons.

Seven policemen were injured during their efforts to disrupt student rallies in the southern provincial city. Several protesters were also injured in the battle, according to witnesses.

Police rounded up 753 activist students and youths for staging the rallies on Wednesday alone.

Meanwhile, professors of Chungnam National University issued a warning Thursday that they would seek a strong resolution if the violation of their rights reoccurs. Students of the state-run university in Taejeon, Chungchongnam-do smashed furniture and windows after they stole into the office of the president Monday as the university refused to arrange transportation and expenses to be used for a solidarity rally in support of the South-North students' meet.

Chondaehyop Termed Antistate Group

SK1208074488 Seoul CHUNGANG ILBO in Korean
12 Aug 88 p 1

[Text] Holding a conference at a party office on the morning of 12 August with Song Han-ho, vice unification minister, participating, the DJP Special Committee for Peaceful Reunification, chaired by Yi Se-ki, discussed measures concerning the 15 August North-South student talks.

At the conference, Vice Minister Song stated that the Chondaehyop [National Federation of University Student Representatives] is a group that seeks to overthrow our government, denying the legitimacy of the Republic of Korea. Thus, this group cannot be the main force for the exchange with the North.

He said that the majority of people are opposed to the North-South student talks led by Chondaehyop and that this organization is composed of students who cannot negotiate on such political issues as the North-South issue.

He revealed that this is why the government does not allow the 15 August student talks.

DJP Opposes Students Attending Talks

SK1208005188 Seoul THE KOREA HERALD
in English 12 Aug 88 p 2

[Text] The ruling Democratic Justice Party agreed yesterday to oppose students' move to attend the south-north student talks scheduled for Aug. 15.

With only 30 days to go until the opening of the Seoul Olympic Games, such politically-oriented talks are not conducive to the successful and peaceful staging of the Seoul sports event, DJP Chairman Yun Kil-chung said emerging from the hour-long party caucus meeting that also tackled problems associated with the students' ongoing call for a cross-country pilgrimage.

Calling upon students to refrain from resorting to violence and radical acts, Yun pledged to extend full governmental support for the south-north students talks and the pilgrimage if students agree to postpone them until after the Seoul Olympics.

"I fully understand the students strong aspiration for the national unification but pushing for such talks and a pilgrimage at this juncture is not conducive to the successful hosting of the Seoul Olympics," Yun said.

RDP Urges Allowing March

SK1208010988 Seoul THE KOREA HERALD
in English 12 Aug 88 p 2

[Text] The Reunification Democratic Party decided yesterday to call on the government to permit the students' pilgrimage of the country in support of the south-north student talks.

The minor opposition party, however, agreed that the south-north students talks slated for Aug. 15 at the truce village of Panmunjom should be postponed until after the Seoul Olympic Games as agreed upon by the parliamentary ad hoc committee on unification affairs.

Parties Positions on Students

SK1208003588 Seoul THE KOREA TIMES in English
12 Aug 88 p 2

[Text] The four parties, which had been generally branded as conservative for little difference on ideology in the divided country, are gradually distinguishing themselves from each other on inter-Korean issues.

The Party for Peace and Democracy has reaffirmed that it is the most progressive among them as far as issues involving students or relating to unification movements are concerned.

Only the PPT maintained that all of the 299 National Assemblymen should attend a joint meeting with their North Korean counterparts, an idea proposed by Pyongyang's Supreme People's Assembly.

It just turned down the SPA's suggestion of qualifying representatives of social organizations to the joint parliamentary conference.

The PPD called for the government's authorization of students' plans for a talk with a collegian delegation from the North on Tuesday and for a cross-country "peace" march for unification.

Kim Tae-chung's PPD had earlier joined in the ruling party's request for a halt to the students' march to the truce village of Panmunjom for the talk on June 10.

It has so far reserved clean-cut positions on diplomatic and unification matters and usually stood with the ruling camp apparently in fear that Kim's onetime association with Communists might be remembered.

Observers viewed that the party now feels a dire need to draw student power to its side amid criticism by student activists on a series of Kim's post-election behavior aimed at approaching the middle class. The PPD is believed to have taken the lion's share in the collegian electorate.

Kim Yong-sam's Reunification Democratic Party appears to be in a dilemma concerning delicate issues.

It took an ambivalent position; supporting the students' so-called "pilgrimage to the fatherland," while asking them to delay the student talk that has more political implications.

The RDP's posture is in compliance with a resolution, adopted by a special Assembly unification panel composed of members from the four rival parties, yet rejected by student leaders.

It rendered support to the DJP and stressed that a parliamentary talks should be attended only by delegates.

Noteworthy is that Kim Yong-sam, who insisted on holding it in Pyongyang at a meeting of political leaders late last month, but did not direct his party's Policy Committee chairman to represent his position Wednesday.

The third opposition New Democratic Republican Party, led by former prime minister Kim Chong-pil, has shown little difference between it and the Democratic Justice Party thus far at least in diplomatic questions.

It advocated the government's decision to block students' attempts for the march and the talk on non-political issues from the initial stage.

The ruling DJP yesterday decided to assume a more rigid attitude towards the student activists for the successful hosting of the Olympic Games.

In an expanded meeting of officials, it concluded that student activism in any form would do harm to the Seoul Games to be held just one month later.

DJP chairman Yun Kil-chung accused the PPD and the RDP of trying to woo support of "radical students at potentially grave risk."

The observers said that the diversification of political colors and image of the four parties should be a signal of their shift into those groups, formed and run with ideology.

"Each party now has to further clarify its platform and declare whose interests it would articulate in parliamentary activities. Then it will reduce currently heavy dependence on personal popularity of its leader," one observer said.

Government Postpones Student Exchange
SK1208024888 Seoul TONG-A ILBO in Korean
11 Aug 88 p 1

[Text] The government and DJP have decided to postpone North-South student exchanges until after the Seoul Olympics. Earlier, the government and DJP had

announced that they would put the exchanges into practice even before 15 August provided that the North Korean side respond to the idea.

In a session of the National Assembly's special committee on reunification affairs held in the afternoon of 10 August, the government announced that it will postpone the projected student exchanges until after the Seoul Olympics and realize it before the end of this year. In a joint meeting of party executive members and standing advisers held on the morning of 11 August, the DJP confirmed the government's decision as such.

In a press meeting after the joint meeting, DJP Chairman Yun Kil-chung said: "Whatever goal the students may seek, the recent great march for reunification is a factor that undermines the prevailing mood that the Olympics should be held in peace. We have made this decision because the students expressed their willingness to postpone the exchanges until after the Olympics."

North Economic Estimates Difficult to Measure
SK1208003188 Seoul THE KOREA TIMES in English
12 Aug p 8

[By staff reporter Kuk Ki-yon]

[Text] Ever-widening is the gap in economic power between South Korea and North Korea, and the average South Korean is three times richer than a North Korean counterpart, according to the Board of National Unification.

North Korea's gross national product (GNP) was estimated at \$19.37 billion last year, and its per capita GNP increased only by 3.3 percent to mark \$936 at the end of 1987, the board disclosed.

The rate of per capita GNP increase was better when compared with the 2.7 percent in 1985 and 2.1 percent in 1986. But it fell far below the 7.9-percent target Pyongyang had set for 1987, which was the first year of North Korea's third seven-year development plan.

In the same year, the South Korean economy grew 12 percent with its GNP reaching at \$118.6 billion and per capita GNP at \$2,826, roughly three times that of North Korea's.

North Korea's exports totaled only \$1.67 billion and imports were \$2.39 billion. They compared with South Korea's \$47.28 billion in exports (28 times larger) and \$41.02 billion in imports (17 times larger).

The North's trade deficit expanded to \$730 million last year from \$560 million in 1986, while its foreign debt increased \$1.15 billion in a year. Pyongyang's military spending amounted to \$4.22 billion, or 21.8 percent of its GNP.

A ministry official said the North Korean economy is still sluggish, a situation it has suffered since the late 1970s.

North Korea's construction and light industry sector showed a relatively good performance last year, but production activities in other sectors, including the machinery sector, slowed down, the official explained.

Everytime the ministry announces North Korea's GNP and its per capita GNP along with other economic statistics, questions have been raised about the method of estimating a socialist economy when measured against a capitalist economy.

Choe Mun-hyon, chief of the ministry's survey and study office, admitted that people have doubts about the truth of reports on the North Korea's economy "because different institutes announce different statistics."

Among such institutes are the U.S. Central Intelligence Agency (USCIA), U.S. Arms Control and Disarmament Agency (ACDA), the International Institute for Strategic Studies (IISS) in England and Stockholm International Peace Research Institute (SIPRI) in Sweden.

Choe explained that "North Korea has never made public any convincing data on its economy and the heterogeneous systems between socialism and capitalism make more difficult to estimate North Korean economy."

In the New Year's message of 1980, North Korean president Kim Il-song professed that its per capita GNP soared to \$1,920 at the end of 1979 and Kim U-chong, vice chairman of the International Cultural Relations Committee of Pyongyang, said in 1983 that the figure amounted to \$2,200 as of 1982.

But many experts at home and abroad regarded the figures as unreliable because of the lack of sufficient data supporting them at the time.

In North Korea, the concepts of gross social product (GSP) and national income (NI) are used in calculating its economy, instead of GNP or net national product (NNP) in a capitalist community.

According to an economic dictionary published in Pyongyang, GSP is defined as a total of production in all fields of productive industry including manufacturing, agriculture, construction and other productive economic activities over a certain period, mostly one year. But "unproductive fields" like education, art, management of public facilities and transportation are excluded in computing GSP.

GSP is different from GNP in that it is computed by adding in half-finished goods used in making other products.

The national income (NI) used in North Korea is calculated by subtracting depreciation costs and those of half-finished goods from the GNP.

Overseas Plants Experiencing Trade Barrier

SK0908015388 Seoul THE KOREA TIMES in English
9 Aug 88 p 9

[Text] Overseas Korean plants are experiencing a new trade barrier under the parts localization program of the countries where the plants are located.

Business sources said yesterday that domestic car and electronic goods makers have suffered from the localization program in Canada and European countries as well as the United States recently.

The U.S. government has imposed anti-dumping duties on picture tubes, the core part of color TV sets exported by Korean makers since late last year.

But, recently,, the European Community has strengthened the "Screw Driver regulation," a trade agreement forcing foreign manufacturers in the EC to elevate the localization ratio from 40 percent to 50 percent based on added value.

Now, four Korean electronics goods makers—Gold Star, Samsung Electronics, Daewoo Electronics, and Saehan Media—have completed or plan to construct six parts or finished goods factories in European Community nations.

But, due to the localization program of the European countries, they have shrunk investments in the countries, the sources said.

If 50 percent of the parts are purchased at local markets based on added value, Korean manufacturers will be hard pressed to meet both ends due to cost push.

Furthermore, they will be unable to purchase core parts of electronics goods such as braun tubes for color TV sets and magnetrons for micro-wave ovens from local markets of the EC, the sources said.

The sources added that the measures are de facto trade pressure of the countries on Korea if the countries impose anti-dumping duties unless Korean plants meet the 50 percent localization requirements although they know the situation.

Assembly Committee To Convene on U.S. Trade Bill

SK1208010588 Seoul THE KOREA HERALD
in English 12 Aug 88 p 2

[Text] Two parliamentary standing committees will convene Aug. 13 and Aug. 17 respectively to deal with pending economic issues.

The ruling DJP and opposition parties agreed yesterday to convene the standing parliamentary panel on commerce and industry Aug. 13 to tackle the protective trade bill that was passed through the U.S. Senate last week.

The standing committee on construction affairs, meanwhile, will convene Aug. 17 to deal with controversies surrounding the construction of the Peace Dam.

Direct Sea Routes 'Likely' To Open With USSR

SK1208022888 Seoul YONHAP in English
0218 GMT 12 Aug 88

[Text] Seoul, Aug. 12 (YONHAP)—A direct sea route is likely to open for freighters between South Korea and the Soviet Union later this year, a high-ranking government official said Friday.

"Non-governmental as well as government negotiators from the two countries are holding talks to materialize the opening of a direct sea route," the official said, "I think the route will be opened shortly after the Seoul Olympic games."

The official who asked not to be identified said that a senior Tokyo branch official of the Far East Shipping Corp. (FESCO), a state-run shipping company of the Soviet Union, visited Seoul in July for contacts with South Korean authorities.

The sea lane is expected to link Pusan, the largest South Korean port city located about 320 kilometers southeast of Seoul, and the Soviet port city of Nakhodka, 55 miles east of Vladivostok.

If the direct route is opened, the distance between the two cities will fall to some 680 nautical miles, compared with the 1,250 nautical-mile distance when South Korea uses the indirect sea lane between Pusan and Nakhodka via Kobe of Japan.

Freight rates will also decrease by more than 30 percent from the current rates, the official said.

He also forecast that a 50-50 joint venture between the two countries, which have no diplomatic relations, will undertake the operation of cargo ships on the direct sea route.

Trade volume this year between Seoul and Moscow is expected to reach 500 million U.S. dollars, up from 200 million dollars in 1987. If the direct route is realized, trade volume between the two countries will increase to about two billion dollars, the official said.

Meanwhile, South Korea is making contacts with China to open direct sea routes between the two countries—one between Inchon and Talien, and another between Pusan and Qingdao—before the Seoul Olympics, slated for Sept. 17-Oct. 2.

Daewoo To Export Cars to Czechoslovakia

SK1208013488 Seoul YONHAP in English
0044 GMT 12 Aug 88

[Text] Seoul, Aug. 12 (YONHAP)—Daewoo Motor Co., one of South Korea's largest automakers, is negotiating with East European countries on exporting its models to the communist nations to diversify its export markets, business sources said Friday.

Among the East Bloc countries it has contacted, Daewoo has reached a tentative agreement with Czechoslovakia on the sales of its Lemans subcompact model, the sources said.

The automaker is likely to ship 7,000 Lemans units to Czechoslovakia early next year, at the earliest, with details of the sale now being negotiated, the sources said.

Daewoo is also pushing ahead with its plan to establish a foothold in other communist nations including Hungary.

South Korea has no diplomatic relations with any communist nation but has recently promoted trade relations with East Bloc countries.

Daewoo's active moves to export its products to East European nations is partly based on the fact that the automaker's joint-venture partner, General Motors Corp. of the United States, has not begun sales of its models to the region, enabling the Korean automaker to avoid competition with GM over car exports, the sources added.

Textile Firms Research PRC Market

SK1208011988 Seoul THE KOREA HERALD
in English 12 Aug 88 p 6

[Text] Korean textile firms are engaged in brisk market research in China, attracted by the country's growing chances for trade with the Communist country, industry sources said yesterday.

The textile companies have sent their executives to China on research missions in recent months, seeking a pre-emptive position in China's market.

Dainong Co., Choongnam Spinning Co., Kabul Spinning and Textile Co., Samil Corp., Kyungbang Ltd., and Kumha Textile Industry Co. have been active in the market research efforts, the sources said.

The companies dispatched research teams in June to evaluate possible joint ventures with Chinese firms and contact cotton distributors.

The sources said Choongnam, Kabul, Samil and Kyungbang plan to dispatch additional market research teams this month.

The initial market research has focused on securing suppliers of cotton and cotton yarns, rather than promoting joint ventures. China's restraints on remitting earnings, using foreign currencies, and branching out to local markets have been cited among factors discouraging possible joint ventures.

Kim Tae-chung To Visit Philippines

SK1108065788 Seoul YONHAP in English
0649 GMT 11 Aug 88

[Text] Seoul, Aug. 11 (YONHAP)—Kim Tae-chung, president of the leading opposition Party for Peace and Democracy (PPD), will visit the Philippines from Aug. 19-23 at the invitation of the Ninoy Aquino Foundation.

While in Manila, Kim will meet with Philippine President Corazon Aquino to exchange views on matters of mutual concern, a PPD announcement said.

Kim is also expected to receive an honorary doctor of laws degree from the University of the Philippines, the most prestigious university in the nation. The foundation was named after the late Philippine opposition leader Ninoy Aquino, husband of President Corazon Aquino.

Accompanying Kim on the visit will be a number of PPD lawmakers including Pak Yong-suk, Kim Won-kui, Yi Sang-su, Cho Se-hyong and Chong Tae-chol.

Opportunities in Iran-Iraq Cease-Fire Viewed

SK1208014788 Seoul THE KOREA HERALD
in English 12 Aug 88 pp 2, 6

[By Kim Chang-hoe]

[Text] YONHAP—It was shortly after midnight on July 19, 20 days before U.N. Secretary-General Javier Perez de Cuellar announced the cease-fire in the eight-year Iran-Iraq war effective Aug. 20.

A brief but resounding message from halfway around the globe startled 73-year-old Chong Chu-yong, the head of south Korea's largest business empire, Hyundai.

Hours later, tens of key executives and their aides huddled into a conference room on the top floor of Hyundai's giant office building complex in downtown Seoul for a meeting they have anxiously hoped for over the past eight years.

"Iran accepted a cease-fire in its war with Iraq," Chong said, leading off the meeting in an unusually emotion-packed voice.

Chong, who pioneered the rush of south Korea construction firms to the Middle East more than two decades ago and built the largest construction company in south

Korea, was quick to direct his top aides to map out fresh strategies to profit from the massive rehabilitation works expected to follow the truce.

Hyundai, the contractor of 16 out of the 27 construction projects undertaken by Korean firms at present in the countries, has a total of \$13.3 billion in outstanding contracts, which will run out by the middle of next year.

Yi Won-hyon, president of Daelim Construction Co., was no exception as he told his lieutenants to form an in-house task force to resume the firm's construction work.

Three weeks before the news, thirteen Daelim workers were killed when Iraqi military aircraft attacked a Daelim gas refinery construction site in southern Iran.

Almost at the same time as the heads of Hyundai and Daelim took action, all other south Korean firms involved in construction and trading businesses in Iran, Iraq and other Middle East countries urged their staffs to collect information on the expected rush of new construction orders and map out new strategies to make the best of the long-awaited news.

Iran's acceptance of a cease-fire with Iraq also prompted an electrifying buying spree on the Korean stock market, boosting the prices of 65 shares, including those of all 37 construction companies, to the daily permissible highs in only five minutes from the opening of the market—a record performance.

Ending a three-day plunge, the composite stock price index soared 17.35 points to 684.22 by 11:38 a.m., and closed at 683.68 points at the final bell.

In a rare quick response, the government also immediately launched an inter-ministerial study on offering financial assistance to the reconstruction efforts of the two war-torn countries which will enhance the business prospects for the Korean firms.

"We are planning to offer overseas economic cooperation fund money to the two countries which are believed to have no immediate capabilities to restore the industrial facilities destroyed during the war," a government official said.

In sharp contrast to the cautious and reserved responses of Japanese and European contractors which have withdrawn from the two countries since the outbreak of the war in 1980, the entire south Korean business community was buoyant with expectations of "another Middle East boom" with the news of Iran's acceptance of a cease-fire.

Immediately followed by a government pledge of financial support through its foreign aid program, a sorely needed boost for Korean constructors in their competition with Japanese and European firms, the news could

not have come at a better time for south Korea, caught up with concern over possible economic stagnation after the Seoul Olympic games this fall.

A total of 39 Korean construction firms have been involved in 1,911 projects (worth \$74.7 billion) in 12 Middle East countries since 1966, accounting for 90 percent of the country's total overseas construction revenue—one of the major driving forces of Korea's remarkable economic growth.

Iran and Iraq, with a combined contract amount of \$11.5 billion, have been the second largest market in the Middle East following Saudi Arabia.

However, as the war between the two countries carried on, the contract amount continued to decline recording only \$5.9 billion in 1984, \$1.2 billion in 1986, and \$1.3 billion last year, last year's amount was one-tenth of the amount earned in the boom year of 1981.

"Our loyalty will pay off. We have kept on working right there in the middle of the war for the past eight years," an executive of the Overseas Construction Association of Korean said.

Except for India and China, which have been engaged only in small-scale projects, south Korea has been the sole country whose contractors did not withdraw their workers (totaling 5,000) and equipment (totaling 4,600 units) from the two countries during the war.

At present, Daewoo and Daelim are engaged in seven projects amounting to \$210 million employing some 500 Korean workers in Iran while Hyundai, Samsung, Daelim, and three other companies are involved in 20 projects worth a total of \$3.59 billion employing some 4,500 Korean workers in Iraq.

Even during the war period, Korean construction firms earned \$6.4 billion worth of contracts in Iraq and \$1.2 billion worth of contracts in Iran.

Panel Members Inspect Chon Family Facilities

SK1208004388 Seoul THE KOREA TIMES in English
12 Aug 88 p 2

[Text] Members of the special Assembly panel investigating the irregularities of the Fifth Republic yesterday made a on-the-spot inspections of a presidential accommodation facility in the compound of the governor's official residence in Chollanam-do and the tomb site of ex-president Chon Tu-hwan's parents in Hapchon, Kyongsangnam-do.

Today, the lawmakers are scheduled to inspect the Ilhae Foundation (re-named King Sejong Institute), and the "Piryeongdae," a presidential villa in the central city of Taejon.

But it is unclear whether the members will be able to visit the "Chongnamdae" (a provincial presidential villa) as scheduled because the Blue House has strongly refused to open the villa to the public due to security reasons. Rep. Yi Ki-taek, who heads the panel, said the committee members will visit the villa as was previously agreed upon.

After concluding the two-day inspection, each party will issue reports, and the Assembly panel, based on the reports, decide on which of the irregularities will get priority in the investigation, who should testify before the panel, and in what way the probe must be conducted.

Associates of Chon's Brother Deny Charges

SK1208003988 Seoul THE KOREA TIMES in English
12 Aug 88 p 3

[Text] Thirteen associates of Chon Kyong-hwan, brother of the former president Chon Tu-hwan, denied many of the charges against them or passed the buck to their boss in the third hearing session of the Saemaul scandal yesterday.

In the trial held at the Seoul District Criminal Court from 10 a.m. yesterday, Chong Chang-hui, 47, former chief of the general affairs department of the Saemaul Headquarters, admitted that he diverted 840 million won from the official fund of the Saemaul Sinmun to purchase the Inchang Building near the Kangnam Express Bus Terminal in southern Seoul.

However, he asserted that he had merely done it according to an order from Chon.

Answering questions by the defense counsel, Hwang Hong-sik, 37, brother-in-law of Chon, admitted that he diverted 136 million won from the funds of Saemaul Sinmun and the Korea Leaders Fostering Foundation, but he asserted that he repaid the money later.

He said that 10,974 U.S. dollars and 150,000 yen which the prosecution investigators found at his home is the money he kept to hand over to Chon as his travel expenses.

The defendants admitted charges of embezzlement and malfeasance, but they said that they just followed the orders of Chon.

Special Panel To Decide on Choe's Testimony

SK1208005388 Seoul THE KOREA TIMES in English
12 Aug 88 p 1

[Text] Amid talks about political truce during the Seoul Olympics, an Assembly special panel will vote today to decide whether ex-president Choe Kyu-ha should testify before it to bring to light the truth behind the 1980 civilian uprising in Kwangju.

It is certain that the 27-member special investigatory panel will pass the motion for testimony by the former head of state as the committee is dominated by opposition lawmakers and Choe must then choose either "voluntary or forced" testimony within two weeks.

To expedite the hearing, the committee will dispatch a delegation to Choe to persuade him to make a voluntary testimony at the earliest possible date.

Kim Tae-chung will appear before the same panel on Aug. 29.

If Choe rejects the Assembly request twice within two weeks, he will be subject to legal or financial punishment, not to mention being brought by force to the panel for testimony.

The vote showdown is feared to throw cold water on the ruling camp's attempt to issue a joint government-opposition declaration of a political cease-fire before and during the Sept. 17-Oct. 2 Olympic period.

The ruling camp has said that it may consider boycotting all special panel activities unless the opposition accepts the cease-fire offer. The opposition accepts the cease-fire offer. The opposition does not want to declare a "formal cease-fire," although it said it will behave in a patriotic and prudent way so as not to raise political disputes during the Games.

The opposition said that special panel activities must continue even during the Olympics even though in a subdued manner not damaging the festive Olympic mood.

The vote showdown is being waged today as President No Tae-u and leaders of the three opposition parties get together at the office of the Seoul Olympic Organizing Committee to get a final briefing from its president Pak Se-chik on progress of the preparations for the Olympics.

Many ruling camp officials hoped that the get-together will produce a cease-fire agreement between President No and the leaders of the three opposition parties.

PPD Demands DJP Publicize Opposition Misdeeds
SK1208012388 Seoul THE KOREA TIMES in English 12 Aug 88 p 2

[Text] The Party for Peace and Democracy demanded an open apology from the ruling party yesterday for "threatening" to make public alleged irregularities by some senior opposition politicians including Kim Tae-chung and Kim Yong-sam.

PPD spokesman Yi Sang-su said the government party must publish the list of "those opposition politicians allegedly involved in various kinds of irregularities, if it has any evidence."

"If the gesture is intended just to threaten the opposition without any evidence, the ruling Democratic Justice Party must apologize," the PPD spokesman said.

Rep. Kim Chung-kwon of the ruling party has said that the government party will a formal request to an Assembly special panel to investigate irregularities committed by a few opposition leaders after the panel completes the probe of the wrongdoings of ex-president Chon Tu-hwan and his family members.

PPD Urges Changes in Economic Policies
SK1208003788 Seoul THE KOREA TIMES in English 12 Aug 88 p 1

[Text] The Party for Peace and Democracy yesterday urged the government to quickly introduce the "real name system" in the transactions of real estate and to abolish the "bond bidding system" in the selling of new apartments to the public.

The opposition party also demanded the government push for construction of small-size apartments for low-income people as a step to control the on-going real estate speculation.

As a means to tackle the worsening inflation, the party advised the government to allow people to open foreign currency deposit accounts at the banks, and to regulate remittance of foreign currency to Korea from abroad by forcing remitters to specify their names.

The party stressed, however, that the government must not try to contain the inflation spiral by setting low state-purchase prices for rice and barley bought from farmers.

The PPD also urged the government to lower utilities charges and public transportation fares whenever possible due to the stronger won currency and the lower price of oil.

PPD Drafts Bill To Reduce Income Taxes on Poor
SK1208005988 Seoul THE KOREA HERALD in English 12 Aug 88 p 2

[Text] The opposition Party for Peace and Democracy yesterday presented a bill aimed at reducing the tax burden of people in the low-income bracket and owners of small- and medium-sized business firms.

The draft bill calls for increasing the annual income tax exemption level for wage earners from the current 940,000 won to 1,440,000 on.

The bill seeks an increased tax exemption level for family members of wage earners.

In addition, the PPD draft bill calls for an increase in the income tax exemption level for small and medium business firm owners from 10 percent (whose annual

income is less than 3.6 million won) and 5 percent (whose annual income is between 3.6 and 6 million won) to 20 percent and 10 percent, respectively.

The PPD plans to submit the draft bill to the National Assembly regular session that starts Sept. 20.

To be rescinded under the bill are property tax, registration tax and defense tax of a house or an apartment whose size is 15 pyong (49.5 sq. meters) or less.

Defense tax so far imposed on severance allowances amounting to five million won or less will also be repealed, according to the PPD bill.

Businesses Feeling Strains of Won Revaluation

SK1208054088 Seoul YONHAP in English
0531 GMT 12 Aug 88

[Text] Seoul, Aug. 12 (YONHAP)—Korea's export growth in the first half of this year fell to 26.7 percent from 37 percent growth a year earlier, reflecting the deeper strains confronting exports of smaller businesses, the Bank of Korea said in a report Friday.

The export growth of items more than half of which are shipped by smaller firms tumbled 21.5 percent in the cited period, compared with 45.5 percent growth a year ago, the Central Bank report said.

Exports of items less than half of which are shipped by smaller firms rose 29.6 percent compared with 32.7 percent growth last year.

Exports of clothing, toys and other light industry goods increased only 20.2 percent, attesting to smaller firms' vulnerability to the surging value of the Korean won currency against the U.S. dollar.

The won's appreciation, which led to lower costs when buying materials from overseas, benefited smaller companies less because they depend less on materials from abroad.

Wage increases caused a greater financial burden for smaller firms lacking automation systems, the report said.

Smaller firms boosted their employees' wages by 22.9 percent in the fourth quarter of 1987, and 19.3 percent in the first quarter of this year. Their labor cost comprises 17.9 percent of the total production cost for smaller firms, compared with 12.9 percent for the entire manufacturing industry.

The European Community's decision this year to scrap favors of the generalized system of preferences also discouraged exports of items more than half of which are shipped by smaller firms, the report added.

Major Businesses Compete in Oil Industry

SK1208015388 Seoul THE KOREA TIMES in English
12 Aug 88 p 6

[Text] Seven business conglomerates are engaged in hectic competition to take part in the petrochemical industry.

They are Samsung, Hyundai, Daewoo, Lotte, Hyosung, Korea Explosives, and Kumho.

The Trade-Industry Ministry announced yesterday that the seven groups and two other businesses—Korea Petrochemical and STC Corporation—have submitted applications for branching-out into the de-regulated petrochemical industry.

As the government scrapped a rationalization program of the domestic petrochemical industry effective last month, any business concern is virtually allowed to join the industry.

At present, Daelim and Ssangyong dominate the domestic petrochemical industry as they are the sole producers of ethylene.

Daelim annually produces 350,000 tons of ethylene and Ssangyong 155,000 tons.

Daelim and Ssangyong are now expanding their production facilities to increase the manufacture of ethylene to 600,000 tons and 555,000 tons, respectively, by the end of 1990.

On the other hand, Lucky is constructing a petrochemical plant whose production capacity of ethylene is set at 350,000 tons per year when the plant goes into operation by the end of 1991.

According to the applications submitted to the ministry, Samsung plans to build a mammoth petrochemical plant with an investment of 910 billion on a tract of 650,000 pyong (one pyong is equivalent to 3.3 square meters) in Sosan, Chungchong-namdo.

The plant is scheduled to go into operation in December 1991 with the annual production of ethylene set at 350,000 tons.

Hyundai also seeks to construct a large-sized petrochemical plant with an investment of 730 billion won in Sosan, which is scheduled to be in operation in December 1991.

The business group set the yearly production of ethylene at 350,000 tons like its rival Samsung.

Besides Hyundai and Samsung, Korea Explosives, Kumho, and Korea Petrochemical are set to produce ethylene with the construction of new plants.

Specifically, Korea Explosives seeks to produce 350,000 tons of ethylene per year, Kumho 350,000 tons, and Korea Petrochemical 250,000 tons.

Hyosung and Daewoo plan to manufacture 150,000 and 250,000 tons of propylene per year, respectively, with the construction of new plants, while STC Corporation seeks to produce 80,000 tons of poly-propylene.

As the size of the petrochemical industry is measured by the production capacity of ethylene, it is feared the industry will become oversaturated if Samsung, Hyundai, Kumho, Lotte, and Korea Explosives are permitted to build ethylene plants.

Currently, the domestic demand for ethylene runs slightly more than one million tons, far ahead of the 505,000 tons produced by Daelim and Ssangyong.

The ministry estimated that the domestic demand for ethylene would increase to two million tons by 1993.

As the total production of ethylene which the five business groups seek to produce amounts to two million per year in addition to 1.5 million tons to be produced by Daelim, Ssangyong, and Lucky, the domestic petrochemical industry will be oversaturated.

In this context, the ministry plans to limit the number of companies which will branch out into the petrochemical industry in accordance with the annual demand for two million-tons of ethylene by 1993.

Kia Motors Shuts Down From Strike

SK1108001188 Seoul THE KOREA TIMES in English
11 Aug 88 p 3

[Text] The Kia Motor Co., Ltd. in Kwangmyong, Kyonggi-do, stopped operations yesterday as some 1,500 workers went on strike, demanding that the current labor union leadership step down.

The workers started the over-night sit-in around 8 p.m. Wednesday taking issue with the transfer of a senior union member Kim Kwan-tae 44, from the engine department to the managing department.

They demanded that the transfer be cancelled, saying that it was ploy to weaken the labor union by disqualifying him as a union member by the transfer.

The workers also demanded that the current labor union leadership step down, claiming that it is manipulated by the management.

Other demands the workers forwarded include a wage increase and reinstatement of the fired workers.

Steps To Improve Riot Police Formulated

SK060823518 Seoul THE KOREA TIMES in English
7 Aug 88 p 3

[Text] The National Police Headquarters is to work out overall measures to rectify the slackened discipline of the combat police force.

For the formulation of the steps, the NPH yesterday started taking stock of the current managerial situation of the combat police force.

The NPH's move, according to a ranking officer, was aimed at coping better with the many accidents committed by members of the combat police force.

The combat police force has been under a public fire largely because its members frequently commit such offences as assault and battery, and desertion from their barracks with their individual weapons.

Some dissident leaders went so far as to demand deactivation of the combat police force, which was created to help fight armed espionage agents dispatched by North Korea to the South.

The National Police Headquarters, the ranking officer said, planned to put special investigation teams into units of the combat police force in 13 cities including Seoul and Pusan.

He said that the roughly 30,000-strong police force would be subject to the projected checks across the country.

The NPH would map out overall measures to correct the lax discipline of the combat police force as early as possible based on the results of the check.

The NPH officer said that the check would center, among other things, on interviews with members of the police force, management of "problem" policemen and morale of the police force in general.

The accidents which involved combat policemen have tended to increase in number recently.

Briefs

Joint FRG Venture

Seoul, Aug. 12 (YONHAP)—Lucky, Ltd. of Korea plans to team up with Henkel KGAA of West Germany to build a plant in Malaysia for the production of fatty alcohol, a company official said Friday. A total of 60 million U.S. dollars will be invested in constructing the plant, which will have an annual production capacity of 30,000 tons of the goods, the official said. Korea relies on imports of fatty alcohol to meet domestic demand as the item is not locally made. The planned plant will produce such fatty alcohol as lauryl alcohol, cetyl alcohol and stearyl alcohol, major ingredients in the production of surfactant. Surfactant is used in producing such goods as shampoo, toothpaste, detergents and cosmetics. [Text] [SK1208075588] Seoul YONHAP in English 0748 GMT 12 Aug 88]

Burma

Further on Political, Military Situation

U Sein Lwin Resigns

BK1208135788 Rangoon Domestic Service in Burmese
1330 GMT 12 Aug 88

[Text] The State Council of the Socialist Republic of the Union of Burma today issued Notification No 108/88 in connection with the acceptance of the resignation of U Sein Lwin as chairman of the State Council, president of the state, and representative of the People's Assembly. The notification is dated 12 August 1988—15th day of the waning moon of second Waso Burmese Era 1350.

The full text reads: U Sein Lwin has submitted a letter of resignation as chairman of the State Council, from the position of the president of the state, and as a representative from Mon State's Moulmein constituency-2. In accordance with Article 4 on resignation, replacement, and election, U Sein Lwin has been allowed to resign from the position of chairman of the State Council, president of the state, and member of the People's Assembly effective today—12 August 1988.

Signed: Thura Kyaw Htin, secretary of the State Council.

Party Accepts Resignation

BK1208134388 Rangoon Domestic Service in Burmese
1330 GMT 12 Aug 88

[Text] The 92d meeting of the Party Central Executive Committee held on 12 August 1988 has accepted the letter of resignation from U Sein Lwin from the position of chairman of the Burma Socialist Program Party and member of the Central Committee.

Events Leading to Resignation

OW1208161288 Tokyo KYODO in English 1554 GMT
12 Aug 88

[Text] Tokyo, Aug. 13 KYODO—Following is Friday's developments in Burma, leading to the resignation of the president:

Morning Aug. 12—The center of the capital of Burma appears quiet. Residents of three "liberated areas," including north and south Okkalapa, face off with government troops.

—The state-run newspaper GUARDIAN reports 11 people were killed and 82 others injured in clashes in Rangoon on August 11.

—Rangoon's in a state of paralysis as telephone lines were cut in various parts of Rangoon on the previous night.

Afternoon Aug. 12—Antigovernment demonstrators seize government agencies in Pegu in the northern part of Rangoon and Kawthaung, the southernmost Burmese city. Government forces and demonstrators are said to be in fighting in Moulmein in southeastern Burma.

—Sources in Rangoon say antigovernment minority ethnic groups in Kachin and Karen provinces along the Burma-Thai border rise up against the government and gain control of major provincial cities.

—The leader of antigovernment minority ethnic group NDF calls on people across the nation to launch an all-out offensive.

Evening Aug. 12—The state-run radio denies reports Kawthaung is under control of antigovernment demonstrators.

8 P.M., Aug. 12—The state-run radio says Sein Lwin submits his resignation to the Burmese Socialist Program Party and the party's Central Committee accepts it.

Possible Successor Viewed

OW1208164588 Tokyo KYODO in English 1625 GMT
12 Aug 88

[Text] Rangoon, Aug. 12 KYODO—Newly appointed President Sein Lwin, bowing to a wave of violent anti-government protests, stepped down Friday after less than three weeks in office.

The state-run Burmese radio said he also resigned his chairmanship of the ruling Burmese Socialist Program Party. The BSPP will summon an emergency Central Committee session Friday next week to confirm his resignation, it said.

Sein Lwin's sudden resignation came after a week of violent antigovernment demonstrations in which scores of people were killed in confrontation with security forces.

The radio said an extraordinary session of the people's assembly will be summoned on next Friday to elect a successor to Sein Lwin.

Informed sources in Rangoon said Maung Maung, legal adviser to strongman Ne Win, and Defense Minister Saw Maung are strongly tipped to replace Sein Lwin, who took over the presidency from 70-year-old San Yu on July 27.

Sein Lwin also took over the party chairmanship a day earlier from Ne Win, who retired after ruling Burma for 26 years.

Antigovernment protests erupted across the nation after Sein Lwin came to power calling for the restoration of democracy and overthrow of the Sein Lwin regime.

Clashes between security forces and students and Buddhist monks culminated in the past few days with the military firing directly on the demonstrators.

Protesters countered by barricading themselves and declaring the formation of "liberated zones" in the outskirts of Rangoon.

Earlier Friday, antigovernment demonstrations spread to outlying provincial areas as main government army units were busy guarding the capital area.

Rioting residents clashed with armed security forces in Pegu, 80 kilometers northeast of Rangoon, and in the southernmost town of Kawthaung, informed sources in Rangoon said.

Rumors of fierce fighting between residents and security authorities in the commercial city of Moulmein in the southeast were also circulated in Rangoon.

Adding fuel to the popular insurgency, ethnic guerrillas attacked government positions in Kachin Province on the border with China and in Karen Province along the Thai border.

One major city in each of the two border provinces reportedly came under control of the ethnic guerrillas.

Political instability touched off steep price hikes of rice and other basic consumer goods, with the economy grinding almost to a complete paralysis.

The normally placid Burmese boiled over, and diplomatic analysts predicted that whoever takes over power from Sein Lwin would face an uphill struggle to put the social and economic fabric together.

The present wave of unrest was the fourth in less than a year.

Riots erupted in Rangoon last September after the government abolished higher-value bank notes without compensation to the owners.

Students took to the streets in March after a weekend brawl in a Rangoon teashop, and in June another round of disturbances erupted across the nation.

The current upheaval was the most serious since Ne Win came to power in 1962 and established authoritarian control following a military coup.

Citizens of Rangoon reacted to Sein Lwin's resignation with jubilation, terming it "the victory" for people's power just like one that brought Corazon Aquino to power in the Philippines in February 1986.

Government soldiers were seen leaving in silence from a "liberated area" on the outskirts of Rangoon Friday night.

Some Burmese citizens said it was natural for Sein Lwin to step down because the situation in the country would not return to normal unless he gave up the presidency.

Troops Said Helping Protesters

BK1208012388 Bangkok THE NATION in English
12 Aug 88 pp 1, 2

[Excerpts] Burmese security officers siding with anti-government demonstrators clashed with Burmese troops in a northern suburb of Rangoon and in the south of the country rebels have taken control of a port town, according to diplomatic sources.

The sources told THE NATION that the clashes between armed security units were visible on Wednesday [10 August] in North Okkalapa. The rebel troops helped protesters erect barricades in the area while troops from other units tried to dislodge these barricades. [passage omitted; covered by second referent item]

Western diplomats in Rangoon said that as of midday yesterday troops continued to shoot into crowds of civilians demanding the overthrow of Sein Lwin, civil rights and freedom for jailed opposition figures. [passage omitted]

ASSOCIATED PRESS reported that sharp clashes took place in the suburban area Wednesday with villagers using some weapons either captured or turned over to them by military defectors.

ASEAN diplomatic sources said that on Wednesday from 4.00 pm to 3.00 am rounds of gunfire were heard. Soldiers apparently fired to scare off protestors who refused to return to their homes. A military light plane circled the city and dropped leaflets on Wednesday.

The sources said that at 9.00 am yesterday about 7,000-8,000 demonstrators in Rangoon crowded Chinatown, Strand Street, Prome Road and Rangoon General Hospital and vowed to stay to fight against the government. [passage omitted quoting Rangoon Radio reports]

A Japanese Embassy official contacted in Rangoon said it was believed that troops were confronting 20,000 demonstrators on the outskirts of the capital. But embassy officials were unable to reach the area by car and details were not known. [passage omitted on travel warnings]

Meanwhile, the National Democratic Front (NDF), which is fighting for independence from Burma, issued a statement yesterday expressing support for the students, monks and the public battling the Burmese security forces.

NDF also called on the Burmese troops not to obey the orders of Sein Lwin but "to side with the people in order to establish peace and democracy in the country."

The statement also said that economic reforms alone are not sufficient to bring a peaceful and democratic Burma. It urged the authorities to settle the minorities question in Burma.

French Tourists Urged To Leave

*LD1108182288 Paris Domestic Service in French
1700 GMT 11 Aug 88*

[Excerpts] The situation is not improving in Burma: quite the contrary. [passage omitted summing up situation yesterday]

Worried about the situation, the French Embassy in Rangoon is strongly advising French tourists in Burma to take the earliest plane out of the country; but this will not be easy. Correspondent Eric Bataillon has just managed to contact the first secretary of the French Embassy who is very closely watching the situation:

[Unnamed secretary, by telephone] We are maintaining a very close watch, inasmuch as we can, given the vastness of the country. The tourist centers are in the north at Mandalay. There are some 40 people at the historic site of Pagan and some 20 in Rangoon. The situation is not a very easy one. There are some districts where life is very difficult, where the population has barricaded itself in and neutralized large district areas. Public transport, particularly today, was almost nonexistent on the streets of the capital. There have indeed been monks participating in demonstrations, but they do not represent the main participants in the demonstration. The religious authorities spoke on television yesterday evening, asking both sides to show great restraint and fair play in the situations. [passage omitted on studio summary of latest news in the region]

Demonstrators Occupy Offices

*OW1208082688 Tokyo KYODO in English 0813 GMT
12 Aug 88*

[Text] Rangoon, Aug. 12 KYODO—Antigovernment demonstrators have occupied government offices in the Burmese provincial city of Pegu north of the capital and the country's southernmost city of Kawthang, informed sources in Rangoon said Friday.

The sources said government troops and demonstrators are also said to be clashing in the southeastern city of Moulmein.

Kawthang Not Seized

*BK1208072288 Rangoon Domestic Service in Burmese
0630 GMT 12 Aug 88*

[Text] The Rangoon municipal area was reported calm last night and the law and order situation has improved, it has been reported.

Early yesterday evening, acts of violence were committed in the burning down the office of the Department of Cottage Industry in North Okkalapa. The other areas were reported to be calm.

An investigation of a report that a male had been decapitated in Kyetshazun area in Tamwe Township on the evening of 11 August has shown that the deceased was not a member of the Armed Forces but that he was a victim of a killing among the disturbance-makers. The decapitated head was displayed to the public and the body was burned.

The destructive elements on the evening of 10 August destroyed a transformer of the Yegu water pump station which supplies water to Rangoon city. As a result, the water supply was cut off for 4 hours on 11 August. The water supply has resumed as the responsible authorities and technicians had made a prompt repair to prevent a water shortage for Rangoon city residents.

Foreign news agencies have wrongly reported this morning that the town of Kawthang has been seized by protestors. There were some disturbances in Kawthang yesterday, but the town remains calm due to systematic control by authorities concerned.

Weapons, Vehicles Given Monks

*BK1208165188 Rangoon Domestic Service in Burmese
1330 GMT 12 Aug 88*

[Text] In response to the appeal issued by the State Sangha Mahanayaka Committee, four students turned in two .22 guns at 0630 today to the State Sangha Mahanayaka Committee through a sayadaw [senior monk] of the Central Committee.

The four students said that they turned in the weapons to show their respect for the leading sayadaws of the State Sangha Mahanayaka Committee who had issued the appeal. They said they wanted to live in peace. They said if the weapons should fall into the hands of unscrupulous people it could endanger the working people. They also said the leaders who had instigated them to create disturbances could not be found when they were needed.

The two guns have been handed over to security units concerned by the Sangha Mahanayaka Committee.

Persons wearing masks came to Rangoon Monastery in North Okkalapa's 2d ward and handed over two Mazda-E vehicles belonging to the Department of Cottage Industry to U Thila, Dhamma [Buddhist Scripture] teacher, today. The two vehicles have been handed over to the ward Sangha Nayaka Committee.

One of the two Sten guns and magazines taken from police force members of Ngamoyeik Police Station by demonstrators has been recovered from the Ngamoyeik Creek. The ward people today turned in the other gun and magazines to the police patrol.

Officials, Monks Meet in Monywa

*BK1208164188 Rangoon Domestic Service in Burmese
1330 GMT 12 Aug 88*

[Text] A meeting was held at the Myathanda Hall of the Monywa Township People's Council Office at 1730 on 11 August to make a supplication on the appeal of the State Sangha Mahanayaka Committee to sayadaws [senior monks] of the Central Committee of Monks, the Township Sangha Nayaka Committee, and teaching monks of monasteries in the town.

U Tin Tun, member of the central executive committee of Monywa Division Peoples Council, and Lieutenant Colonel Tun Win, chairman of Monywa Township People's Council explained the appeal of the State Sangha Mahanayaka. They said peaceful demonstrations have been taking place in Monywa Township and that saboteurs from outside have gradually infiltrated the township and that undesirable problems could emerge. If such developments should take place, peace and tranquility in Monywa would be destroyed. Hence, sayadaws are requested to make an appeal and control their subordinate monks and laymen.

Sayadaws including U Pyinnya Wuntha, joint secretary of the Central Sangha Nayaka Committee and chairman of the township Sangha Nayaka Committee thanked the organizations and authorities who had tolerated the peaceful demonstrations in Monywa where there had been no major problems. They called on them to continue maintaining the peaceful situation in Monywa and said that the sayadaws would also render assistance in accordance with the appeal of the State Sangha Mahanayaka.

The meeting ended at 1805.

KYODO Reports 'Tense Calm'

*OW1208061488 Tokyo KYODO in English 0546 GMT
12 Aug 88*

[Text] Rangoon, Aug. 12 KYODO—Three of Rangoon's six daily newspapers failed to appear Friday as security forces faced barricaded insurgents amid a tense calm in the violence-torn capital.

The uneasy calm came a day after the government appealed for peace and order and promised not to fire on peaceful demonstrators.

In central Rangoon, armed soldiers were seen patrolling empty streets where martial law has kept residents at home.

In North Okalappa and two other spots on the outskirts of Rangoon, security forces continued their siege of three barricaded districts a day after demonstrators declared them "liberated zones".

The military reportedly made no move against the insurgents.

Reporters covering the present wave of unrest found it difficult to gather information with traffic blocked and many local telephone lines out of order.

The civil strife has paralyzed the economy because workers had to stay at home for lack of transport.

Only three newspapers were on sale on newstands. The other three failed to appear.

According to THE GUARDIAN, an English-language daily on sale Friday morning, security forces fired on demonstrators in 18 locations in Rangoon on Thursday.

Fifteen people were reported killed and 82 people wounded, but Western diplomatic sources and local witnesses say they believe the death toll is much higher.

Protests 'Expected' To Continue

*BK1208081588 Hong Kong AFP in English 0745 GMT
12 Aug 88*

[Excerpts] Rangoon, Aug 12 (AFP)—An uneasy calm fell over the streets of downtown Rangoon Friday [12 August] morning after Burmese leaders announced they would continue their hardline crackdown on anti-government demonstrators.

The announcement that the security forces would continue to put down the protests, which have rocked Rangoon and at least 26 other cities since Monday, came on state radio Thursday night. At least 88 people have died by official count since the crackdown began following a general strike Monday.

The broadcast by Burmese Prime Minister Tun Tin and military Chief of Staff Saw Maung ended a brief period of jubilation at dusk Thursday when rumors spread through the city that the evening news would carry an announcement ending the shooting, eyewitnesses here said.

"Even some security units seemed to believe the shooting would stop," an eyewitness said. [passage omitted]

Young Buddhist monks, most of them novices, have been in the forefront of demonstrations in Rangoon and the northern city of Mandalay, while calls for calm from senior members of the Buddhist clergy have been aired on state radio.

Diplomats here said however they expected the violent protests to continue for the fifth straight day, despite government appeals to give it time to get on with economic reforms promised by Burma's leader of two weeks Sein Lwin. [passage omitted]

(Meanwhile, on the Thai-Burmese border, Governor Aram Iamarun of Thailand's northernmost border province of Chaing Rai said he had ordered authorities to be prepared for a possible influx of refugees fleeing the turmoil in Burma.

(Mr. Aram said his province was ready to offer refuge to people fleeing the fighting in that country.

(Thai immigration officials said Friday that their Burmese counterparts in the southern border town of Victoria Point had notified Thailand of a "temporary suspension" on cross-border travel and trading. [passage omitted]

(Police Lieutenant Colonel Sanit Komonwanit, immigration chief in Ranong Province, said Burmese students and civilians who were engaged in rioting in Victoria Point seemed to have taken control of parts of the township.

(Lt. Col. Sanit said Burmese immigration officials sent an official notice Thursday announcing the "temporary closure" of the border check-point on the Burmese side of the border.

(The notice asked Thai immigration officials to prohibit border crossings into the Burmese town from August 11-13 for "security reasons," he said.

(He said Thai fishing trawlers operating from Ranong pier have been warned against intrusion into Burmese territorial waters to avoid "misunderstanding and possible conflict" with Burmese authorities.)

Melbourne Reports on Unrest

*BK1208093088 Melbourne Overseas Service in English
0803 GMT 12 Aug 88*

[From the "International Report" program]

[Text] Well, as you have heard in the news, widespread civil unrest is continuing in Burma with some estimates putting the nationwide death toll at 1,000. Radio Australia's Tony Hill is monitoring developments in Burma from neighboring Thailand and he was asked by Chris Clark to describe the present situation in the Burmese capital, Rangoon. [Begin recording] [Hill] At the moment it seems fairly quiet, but that is following a pattern of most of the days so far this week—fairly quiet early on and then unrest seems to flare later in the afternoon. However, this morning, there have been reports of a lot of troops in trucks around the capital, the road blocks—many, many road blocks—on a lot of streets put up by troops and protestors remain in place. And there are now reports of wall posters being put up around the town by protestors. So, it is still a stalemate.

The Army has obviously, very clearly, not been able to clear away the unrest at all.

[Clark] Are there indications that the problems in Burma could worsen?

[Hill] There appear to be some indications that this could happen. A government statement yesterday—its first statement on the problem—seems to indicate that it is going to continue to crack down. In its statement, it branded the people supposedly behind the unrest as anarchists and saboteurs. If you combine this with the indications of continuing unrest such as the violence yesterday, then you have the scene set for confrontation. But more importantly, we now have reports for the first time—a fairly strong report—of troops in the capital Rangoon siding with the demonstrators. There was a report of that yesterday. A crowd of demonstrators seen with a group of soldiers walking toward a road. There had been rumors of this for some time outside the capital, but they still remain just rumors. Another important rumor—still a rumor at the moment—is that the Karen ethnic rebels in the south and the east appear to have moved into Pa-an, a fairly important regional capital. Now, if this is true this could provide a very major problem for the government. Because up til now, it appears that the ethnic rebels have kept out of the civil unrest taking place throughout the country.

[Clark] Is it likely the government can simply sit out this unrest?

[Hill] I think the indications are that the government is hoping that it can and it is [words indistinct] in taking a very strong stance. The reports I have heard are that the government is hoping that food shortages in places such as the capital would eventually force people to give in, to calm down and basically to come to the government and say okay, provide us with some food. But it is not certain that this will happen. If the government does manage to wait about, then there is a possibility that violence would flare (?just) again once the situation returns to a semblance of normality. [end recording]

Authorities Confer With Monks

*BK1208153188 Rangoon Domestic Service in Burmese
1330 GMT 12 Aug 88*

[Text] At 1030 today, U Ba Than, chairman of the Shan State People's Council and the State Security Supervision Committee invited sayadaws [senior monks] of the Shan State Sangha Nayaka Committee, Township Sangha Nayaka Committee, and senior monks of Taunggyi to the preaching hall in Taunggyi and made a supplication on the statement of the prime minister and the defense services chief of staff.

In response to sayadaws of the State Sangha Mahanayaka Committee, the chairman of the Irrawaddy Division People's Council today invited sayadaws of the Irrawaddy Division Sangha Nayaka Committee for all sects to the Eyar Shwewar hall of the divisional people's

council office in Bassein at 1000 today to issue an appeal to Sangha Nayaka Committees in townships, wards, and villages in Irrawaddy Division.

Present at the meeting were Brigadier General Myint Aung, chairman of the Irrawaddy Division Regional Party Committee and commander of the Southwest Military Command; U Chit Tin, secretary of the regional party committee; U Tin Hlaing, chairman of the divisional people's council; U Ba Htay, chairman of the divisional judges committee; representatives of three organizations; chairmen of township party units of West Bassein and East Bassein; chairmen of township people's councils.

Pokbayon Monastery Sayadaw, chairman of the Divisional Sangha Nayaka Committee, gave five precepts. Speaking on the occasion, the chairman of the divisional people's council read out the appeal of the sayadaws of the State Sangha Mahanayaka of 10 August. He requested the sayadaws to explain the appeal to the monks to enable them to follow the statement.

The sayadaws in turn said they would preach peace to parents, people, and followers. The ceremony concluded with a religious chant.

'Leaders' Vow End to Protests

*BK1208165288 Rangoon Domestic Service in Burmese
1330 GMT 12 Aug 88*

[Text] Ninety leaders of demonstrators admitted they were wrong in holding demonstrations in the presence of the abbot of Maungdaung Monastery in Thonze of Tharawaddy township and the township supervision committee at 0700 on 12 August. They begged for pardon and signed a pledge not to hold future demonstrations.

Similarly, 15 leaders of demonstrators admitted they had committed wrongful acts and signed a pledge not to hold future demonstrations in the presence of sayadaws [senior monks] of Township Sangha Committee and the township supervision committee at Mingala-u Monastery in Tharawaddy.

Role of Ethnic Insurgents

*BK1208110088 Hong Kong AFP in English 1051 GMT
12 Aug 88*

[By Michael Adler]

[Excerpts] Bangkok, Aug 12 (AFP)—Burmese ethnic insurgent groups who have been battling the government for 40 years appear to be playing no part in the current anti-government unrest, rebel spokesmen and analysts said.

Rebel groups such as the Kachins and Karens have never formed strong links with ethnic Burmans under the control of Rangoon and so are outside the current civil struggle, despite the fact that rioting students and guerrilla insurgents both oppose the central government, analysts said.

Reliable sources here said both the Kachin and Karen groups were planning new offensives against the Army, which has been forced to increase its troop strength in major cities because of the riots.

But they said they did not expect the rebels to become a factor since they were moving slowly in the current rainy season and remain isolated in jungle regions along Burma's borders.

"They would do better to try to negotiate a cease-fire with the Army," one Burma-watcher said.

Rangoon-based diplomats have said there is suspicion that the Communist Party of Burma, a strictly political insurgent group with links to China, may be behind student demonstrations against new Burmese strongman Sein Lwin.

But they add that the magnitude of the unrest shows just how widespread frustration is with Burma's desperate socialist economy.

This is the cause for the protests which have left at least 88 people dead since Monday [8 August], rather than the manipulation of a revolutionary group, according to diplomats. [passage omitted on background of ethnic insurgency]

Dr. Marta, a Karen rebel spokesman, said contacts were limited with students leading the uprising against Mr. Sein Lwin. "We cannot do it because they are very busy," said the spokesman.

Karen spokesmen have said in the past that Burmese security measures are too effective for them to smuggle weapons into cities like Rangoon.

But the Karen spokesman said that Burmese Army strength facing Karen forces has dropped by 50 percent. "Most of them have gone into the city," he said.

Dr. Marta said the Karens had tried to talk to them about a ceasefire but that the Burmese still follow orders.

"If we launch a military offensive, we will know their reaction. We will find out how faithful, how loyal they are to the Sein Lwin government," he added.

Analysts said the rebels could play a role in overthrowing the regime if an ambitious Burmese military commander were to decide it was futile to fight insurgents when ethnic Burmans are fighting fellow Burmans in Rangoon.

Burmans are the ethnic majority in the part of Burma controlled by Rangoon.

"A young colonel might then strike a deal with the insurgents and return with his troops to Rangoon to impose order," David Feingold, a U.S.-based Burma scholar said about a possible coup d'etat.

Actions 'Spread' to Provinces

OW1208132188 Tokyo KYODO in English 1231 GMT
12 Aug 88

[Text] Rangoon, Aug. 12 KYODO—Burma's antigovernment demonstrations and actions spread to outlying provincial areas on Friday while main government army units were preoccupied with guarding the capital city.

Rioting residents clashed with armed security forces in Pegu, 80 kilometers north of here, and in the southernmost town of Kawthaung, informed sources here said. The rioters are also said to have captured government offices in the two towns under their control.

Fierce fighting between residents and security authorities in the commercial city of Moulmein in southeast Burma was also rumored here Friday.

In addition, it was said that ethnic minority group guerrillas attacked government authorities in Kachin Province on the border with China and in Karen Province along the Burmese-Thai border. One major city in each of the two provinces reportedly came under minority group control.

It was the first time such guerrillas were reported to have attacked the government forces amid the fast-expanding demonstrations in many parts of the country.

The rumored uprising by minority group guerrillas may have surprised the government army, sources said.

In September 1982, the border-based Karen National Union sent suicide squads to the state-run radio station and other public organization offices.

Other unconfirmed reports circulating in the capital said that some government army personnel refused to open fire against demonstrators.

There were also reports that government troops fired on one another, an apparent signal of internal conflict between military personnel and confusion in the army command.

The number of casualties on Friday has not been confirmed. Since a general strike on August 8, official announcements said at least 95 people have been killed. Western diplomatic sources estimate the death toll will reach nearly 1,000.

The whereabouts of Sein Lwin, president and head of the ruling Burma Socialist Program Party, has not been confirmed.

The whereabouts of U Ne Win, who was replaced by Sein Lwin late last month after his 26-year dictatorial rule, is also unknown.

Students have circulated leaflets threatening to assault the residences of top-ranking leaders. Prime Minister Tun Tin and other cabinet ministers and their families are reportedly taking refuge in a government building in northern Rangoon.

A big antigovernment march was also staged in the second largest Burmese city of Mandalay north of here for the third consecutive day on Friday. It was reportedly joined by about 100,000 people.

Nuns participated in the Mandalay action for the first time.

However, relative calm prevailed in the capital, with the confrontation at a stalemate between rioters and security authorities.

But informed sources said this was not because antigovernment actions have been put down but was due to the fact that students and other antigovernment elements may be preparing to reorganize into a larger antigovernment organization.

Antigovernment guerrillas from Burma's ethnic minority groups are rumored to have staged uprisings in the border provinces of Karen and Kachin, informed sources in Rangoon said on Friday.

A few major provincial cities are also said to have come under the central [as received] of minority group guerrillas, the sources said.

12 August Disturbances Reported

BK1208155988 Rangoon Domestic Service in Burmese
1330 GMT 12 Aug 88

[Text] It has been learned that some unscrupulous individuals in groups of three or four persons have been extorting money and goods in some townships in Rangoon Division.

The unscrupulous persons have been destroying and looting ward consumers cooperatives in some townships and people in some township wards are providing security for their consumers cooperatives.

It has been learned that 1,000 demonstrators around North Okkalapa's Melamu Temple had dispersed this morning. People living in wards around Melamu Temple welcomed the Armed Forces and said they had been waiting for the Armed Forces to return and appealed to the Armed Forces to provide security.

It was also found that white flags were flown in many wards around Melamu.

The people reported to the security units this morning that many cases of robbery and looting were reported on the evening of 11 August in North Okkalapa. The people captured Yaung Gyi Bwe together with weapons. Yaung Gyi Bwe led about 50 persons in robbing one house after another during the evening.

It was also learned that the weapons used by Yaung Gyi Bwe and his men were from the North Okkalapa police station. The people tied a rope around Yaung Gyi Bwe and hung a sign saying robber from his neck and displayed him around Zamyinze Market.

It was further learned that Yaung Gyi Bwe is a leading robber and led a mob during the disturbances in North Okkalapa and was among those who killed members of the police force of North Okkalapa. The six students handed Yaung Gyi Bwe over to the security unit.

It was learned that during the present absence of police and security units persons with the intent to rob came to North Okkalapa from rural areas. Representatives of North Okkalapa contacted security units this afternoon and reported that they are prepared to follow the appeal of Sayadaws of the township Sangha Nayaka. They said these undesirable events happened because of instigation by unscrupulous individuals and student leaders who were bent on violence and that the student leaders had now fled. They said once security is established, the appropriate names will be disclosed and that the people would refute local and foreign rumors.

According to reports this evening, students led demonstrations at Zamyinze Market in North Okkalapa and demonstrated in support of the Armed Forces. They put up posters saying "Saboteurs Not Wanted" and "The Return of the Armed Forces Is Our Cause."

Radio Reports on Looting

BK1208145688 Rangoon Domestic Service in Burmese 1330 GMT 12 Aug 88

[Text] It has been found that there were very few incidents of demonstrations by mobs or acts of violence in the Rangoon military administration area today.

It has been learned that the mob which gathered at Melamu temple in North Okkalapa had dispersed this afternoon. There were few cases of looting today.

The people in various wards of Rangoon city have taken measures to prevent looting.

Incidents of looting were reported at Setsan rice mill in Pazundaung, the rice mill on Jamar Road and Nibbana Road in Kemmendine, the rice warehouse near Nandawin market in South Okkalapa, and the rice warehouse in Syriam.

Demonstrators tried to stop the looters of rice warehouses in Syriam, and guards at the warehouses were able to shut the gates.

Setsan rice mill in Pazundaung lost about 6,000 sacks of rice.

The rice mill on Jamar Road and Nibbana Road in Kemmendine, the rice warehouse near Nandawin market in South Okkalapa, and warehouses in Syriam lost 1,700 sacks or 85 tons out of the storage of 160 tons of rice.

Other incidents of looting occurred at department stores, warehouses of various corporations, and the brokerage hall of cooperatives society at the corner of Anawratha Road and 38th Street.

The looters of the brokerage hall fled when the people of 38th Street started beating them.

The security units on patrol to prevent acts of destruction, looting, and arson took necessary steps in detaining some persons. However, they confronted problems in their movement because of the barricades put up by demonstrators.

AFP Examines Uprisings

BK1208035088 Hong Kong AFP in English 0252 GMT 12 Aug 88

[By Kate Webb]

[Text] Bangkok, Aug 12 (AFP)—The protesters—young and old—battling in cities and towns throughout Burma this week say they want Sein Lwin's ouster, the release of imprisoned students, democracy and the ability to buy rice.

If the demonstrators win their four demands—now echoing through the embattled streets—it would mean nothing short of the country's leaders breaking out of rigidly socialistic policies that have held this country of 39 million in physical and economic isolation for 26 years.

They would also, almost inevitably, mean that Mr. Sein Lwin, the country's ruler for a brief two weeks, would have to step down or call for a referendum which would see him voted out.

"Sein Lwin out," the call rolls through the streets like a drum beat and, Burmese say, symbolizes the frustration most of them feel.

What they see is that almost a year of simmering protests and demands for change have seen only the installation of a man students hold responsible for more than 50 protesters' deaths since March.

"He was Ne Win's hatchet man, it was a slap in the face," said one Burmese.

General Ne Win, 77, in 1962 stamped his own brand of socialism on Burma and brooked no changes, despite the country sinking deeper into debt and turning from a major exporter to an economic cripple. It was his ailing health that first emboldened the demonstrators late last year.

As General Ne Win cancelled a number of overseas trips and sought medical treatment and the government attempted a few scrappy, patchwork economic repairs by demonetising bank notes, the protests grew but were scattered, confined to universities, and people generally remained fearful.

Finally, on July 23, after the closure of universities and rising tension since worsening riots in March and June, the ailing and ageing general stunned the country by announcing he was ready to step down.

A man intensely conscious of his image for posterity, he told a hastily called congress of his Burma Socialist Programme Party that a referendum should be called on whether to change the one-party system. Instead, Mr. Sein Lwin came to power and the congress said flatly there was no need for a referendum.

Many diplomats and some senior Western-educated Burmese economists in Rangoon, who see the root of Burma's troubles in its tattered economy, watched with growing hope as Mr. Sein Lwin announced a barrage of major and unheard of economic reforms.

They included foreign partnerships in joint ventures, legal cross-border trading, and the ability to hold foreign currency in bank accounts. Mr. Sein Lwin made sure that everyone, including the country's main creditors, Japan and West Germany, knew he was throwing out the economic side of Gen. Ne Win's socialism.

At fast-paced meetings with businessmen, his ministers urged a return of currency from abroad, and promised private ownership and government recognition of black money, which Burmese say bitterly is "the only money we have."

The Burmese currency—the kyat—now worth 6.29 to the U.S. dollar at the official rate and this week a whopping 50 to the dollar on the black market, would be revalued, his ministers told the businessmen.

Rice trading had already been put in private hands in 1987, a move made futile by the fact that the comparative rate of the kyat left it unexportable except on the black market.

But for the man in the street, who could see a single tourist dollar buying rice, and his salary in kyats almost nothing, the reforms, although they will probably stay, came too late. He could earn two kyats repairing a battered, often-repaired umbrella, but there were no new umbrellas to sell.

Who could replace Mr. Sein Lwin? In Rangoon this week, no one was naming names.

To the amazement of foreigners here, the faded, framed photograph carried high in protest marches is that of a smiling man with a jauntily set MacArthur military cap that went out of fashion in the Pacific in World War II.

He was General Aung San, better known to Churchill and "Vinegar" Joe Stilwell than to anyone in the 1980's—and he has been dead since 1948.

General Aung San, as a determined young man in his 20's, won the country's independence from Britain at the head of an impossibly small group of 30 "young Turks" by first siding with Japan, then with Britain, in World War II.

He was murdered, some Burmese say by Mr. Ne Win, at the age of 32 while he was drafting the country's first constitution.

"He is a Burmese hero," said one Burmese when asked why Gen. Aung San's portrait, recognized by every Burmese schoolchild, was being carried.

People's Assembly Session To Meet 19 August
BK1208141888 Rangoon Domestic Service in Burmese
1330 GMT 12 Aug 88

[Text] The State Council of the Socialist Republic of the Union of Burma has issued Notification No 6/88, dated 12 August 1988—the 15th day of the waning moon of second Waso Burmese Era 1350—on convening of the extraordinary session of the Fourth People's Assembly.

The full text of the notification reads: The State Council in accordance with Article 51 of the State Constitution orders the convening of the extraordinary session of the Fourth People's Assembly at 1000 on Friday 19 August 1988—7th day of the waning moon of Wagaung—in Rangoon.

[Signed] Aye Ko, vice chairman of the State Council.

Socialist Program Party Committee To Convene
BK1208141188 Rangoon Domestic Service in Burmese
1330 GMT 12 Aug 88

[Text] It has been reported that the 11th Central Committee [of the Burma Socialist Program Party] will be convened at 0800 on 19 August 1988. Members of central committees of regional party committees and party committees of the Armed Forces have been informed to report by 18 August.

Cambodia

CPV Propaganda, Training Commission Visits

Meets With Men Sam-an

*BK1108133588 Phnom Penh Domestic Service
in Cambodian 0430 GMT 11 Aug 88*

[Text] Comrade Mrs Men Sam-an, member of the party Central Committee Political Bureau, member of the party Central Committee Secretariat, and chairman of the Central Committee Commission for Organization, met at the Government Guest House in the afternoon of 10 August with the visiting delegation of the CPV Central Committee Commission for Propaganda and Training headed by Comrade Tran Trong Tan, member of the CPV Central Committee and chairman of its Commission for Propaganda and Training.

On this occasion, Comrade Mrs Men Sam-an highly praised the very successful visit of the delegation of the CPV Central Committee Commission for Propaganda and Training, which testified to the close relations of friendship between the parties, governments, and peoples of Cambodia and Vietnam. She briefed it on the all-round achievements of the Cambodian revolution over the past 10 years, especially the success of the Jakarta informal meeting that was enthusiastically hailed and supported by progressive public opinion and the Cambodian people. She also deeply thanked the Vietnamese party, government, and people for giving both material and moral support to the Cambodian people, contributing to the steady development and the real growth and maturity of the KPRAF which has enabled the Vietnamese volunteer army to proceed with seven partial withdrawals from Cambodia. She also gave assurances that she would continue to further consolidate and expand the bonds of militant solidarity, friendship, and all-round cooperation, particularly between the commissions which signed a protocol on propaganda and education cooperation between Cambodia and Vietnam for the 1989-90 period.

Cooperation Document Signed

*BK1108130588 Phnom Penh SPK in English
1052 GMT 11 Aug 88*

[Text] Phnom Penh SPK August 11—A document on propaganda and education cooperation in the 1989-90 period between the Commission for Propaganda and Education of the People's Revolutionary Party of Kampuchea Central Committee and the Commission for Propaganda and Training of the Communist Party of Vietnam Central Committee was signed in Phnom Penh yesterday.

Signatories were Khoy Khunhuor, member of the PRPK Central Committee and president of its Commission for Propaganda and Education; and Tran Trong Tan, member of the CPV Central Committee and head of its Commission for Propaganda and Training.

Under the document the Vietnamese side will assist the Kampuchean side in communications equipment and personnel training. The two sides will cooperate in exchanging information on the development of their countries and promoting their propaganda work at home and abroad.

The signing ceremony was witnessed by Men Sam-an, Politburo member of the PRPK Central Committee and president of its Commission for Organization, and Ngo Dien, Vietnamese ambassador to Kampuchea.

The Vietnamse delegation left here this morning after a week-long visit.

During its stay here, it was received by Men Sam-an and called at the Kampuchea News Agency (SPK), the editorial board of the bi-weekly "PRACHEACHON" (PEOPLE), and some establishments in Phnom Penh and Kandal Province.

KPRP Delegates Leave for USSR, Bulgaria

*BK1208021588 Phnom Penh Domestic Service
in Cambodian 1300 GMT 11 Aug 88*

[Text] At the invitation of the CPSU and Bulgarian Communist Party Central Committee cabinets, a KPRP Central Committee cabinet delegation led by Comrade Sar Kheng, KPRP Central Committee Political Bureau alternate member and KPRP Central Committee chief of cabinet, left Phnom Penh on 11 August for the USSR and the People's Republic of Bulgaria to pay a friendship visit and exchange experiences with the CPSU and Bulgarian Communist Party Central Committees' cabinets.

Seeing the delegation off at Pochentong Airport were Comrade [name indistinct], member of the party Central Committee; Comrade Im Chhunlim, deputy chief of the party Central Committee cabinet; Comrade Keo Prasat, deputy chief of the party Central Committee cabinet; Comrade (Vinh Toam), deputy chief of the party Central Committee cabinet; and many cadres from the party Central Committee cabinet and offices.

Also on hand at the airport to send off the delegation were Comrade Ngo Dien, SRV ambassador extraordinary and plenipotentiary; Comrade Rashit Khamidulin, USSR ambassador extraordinary and plenipotentiary; and Comrade (Shestidin Kolev), Bulgarian Embassy charge d'affaires to Cambodia.

Further Report on Jakarta Informal Meeting

*BK1208124188 (Clandestine) Voice of the National Army
of Democratic Kampuchea in Cambodian 2315 GMT
11 Aug 88*

["Report on the Jakarta Informal Meeting"]

[Text] After His Excellency Son Sann had made his points on behalf of the three Cambodian resistance forces which make up the CGDK, as reported in our

transmission yesterday, Vietnam ordered its Phnom Penh and Lao puppets to each make a long speech to the great annoyance of other delegations to the meeting. In their speeches, both repeatedly talked about the same things.

Later in the same afternoon of 25 July, Vietnamese Foreign Minister Nguyen Co Thach delivered an equally long speech. In this speech, Nguyen Co Thach did the following: 1. He distorted facts by contending that the Cambodian conflict was a conflict between two antagonistic Cambodian forces and that Vietnam was not a party to the war in Cambodia.

2. He accused the ASEAN countries of being opposed to a political settlement of the Cambodian problem because they insisted on continuing to support the anti-Vietnamese resistance forces.

3. He again reiterated the claim that Vietnam has already completed six partial troop withdrawals from Cambodia and is proceeding with the withdrawal of the remaining forces.

Nguyen Co Thach went so far as to warn the ASEAN countries against interfering in Cambodia's internal affairs, against taking advantage of the Cambodian problem, and against setting conditions in the political solution to the Cambodian problem.

Seeing that Vietnam repeatedly attempts to deceive people, His Excellency Khieu Samphan then made a speech with the following contents:

I would like to add some views to those of His Excellency Son Sann concerning the fundamental factors necessary for a political solution to the Cambodian problem. In light of our meeting today, allow me to present my views in the following two points:

1. Our meeting today has once again showed that it is necessary to further clarify the true nature of the Cambodian problem. The true nature of the Cambodian problem is the aggression against and occupation of Cambodia by foreign troops. Therefore, in order to find a solution to the Cambodian problem, we must not ignore the fundamental aspect of this problem because if we ignored this fundamental aspect, we would certainly be following a road of confusion and would not be able to reach our destination and, obviously, we would not find the solution.

I would like to cite some examples that I believe constitute an attempt to create confusion. For example, Mr Nguyen Co Thach stated that there is a conflict between two Cambodian forces in Cambodia. But the truth is that international organizations, such as the United Nations, are well aware that the Cambodian problem is a problem caused by the aggression against and occupation of Cambodia by foreign troops.

Another example of the confusion that may block the settlement of the Cambodian problem is that if we ignored the true nature of this Cambodian problem, in the search for its solution, we would not know with whom and in which direction we could resolve it. Moreover, if the true nature of the Cambodian problem were ignored, the 117 UN member states which formed the overwhelming majority that has successively demanded that all foreign troops withdraw from Cambodia since 1979 would thereby be accused of interfering in Cambodia's internal affairs while the main culprit responsible for the Cambodian problem would go completely free. For this reason, I understand that we must clearly see the true nature of the Cambodian problem. This is the first point of my opinion.

2. I propose to all delegations attending today's meeting to pay attention to the use of the phrase: "Independent and nonaligned Cambodia." If foreign troops were allowed to continue their occupation of Cambodia, this phrase would have no meaning at all. On the contrary, the use of this phrase in this situation would be a deception, outright. The same thing applies to other phrases, such as "the Cambodian people's right to self-determination" and "national reconciliation." National reconciliation is one of the deepest aspirations of the entire Cambodian people. It is also our aspiration. But this aspiration will never be fulfilled so long as the foreign troops continue to occupy Cambodia. National reconciliation can be restored only within the framework of a sovereign and independent Cambodia. Otherwise, it would only be a demand for the resistance forces to lay their arms down and surrender to the aggressors. The same is true with "stability," "peace," and "cooperation among the countries in Southeast Asia." For this reason, I hold that it is necessary to draw your attention to the significance in reviewing the true definition of all these phrases and words.

In conclusion, I would like to inform you that in order to realize the goal of transforming Cambodia into an independent, neutral, nonaligned, and sovereign Cambodia so that the Cambodian people can determine their own destiny, national reconciliation among all Cambodians without the elimination of any faction can be achieved, and contributions can be made to authentic peace and cooperation among all small and large countries in the region, we would like to ask the representative of the SRV which has been occupying Cambodia for nearly 10 years now: Will the SRV agree to withdraw all its troops from Cambodia according to a specific timetable, under international supervision, and within the framework of a precise agreement? This does not mean a withdrawal made through unilateral announcement without international supervision, a withdrawal that no one can believe to be true.

Mr Chairman, as far as we who are fighting on the battlefield are concerned, we have so far seen no sign of the withdrawal of any foreign troops at all.

These are some factors I want to draw your attention to, for I understand that they are vitally important to my Cambodian nation.

Thank you for your attention.

Son Sann Interviewed on Attending Conferences
BK1208073188 (Clandestine) Voice of the Khmer in Cambodian 0430 GMT 12 Aug 88

[Text] The KPNLF will not send a delegation to attend the conference on the Cambodian problem to be held in Harare next week, although invited by Zimbabwe.

In a special interview with a VOK representative yesterday, His Excellency Son Sann, KPNLF president and CGDK prime minister, said the KPNLF had thanked Zimbabwe for its efforts to seek a settlement of the Cambodian problem, adding that the KPNLF would not accept the invitation but asked the Zimbabwean president and the nonaligned countries to support and help the working group that is to carry on the work of the Jakarta informal meeting so as to enable it to quickly seek a solution to the Cambodian problem. The KPNLF has turned down the invitation to attend this conference because there might be conflicts between this news conference and the working group's work in Indonesia, which must be completed before the end of 1989.

In the same interview, His Excellency Son Sann said he decided to attend the recent Bogor meeting because many countries, including the ASEAN nations and Vietnam in particular, attended. He said that earlier he refused to attend a meeting with Mr Hun Sen because he wanted to meet and talk directly to Vietnam on settlement of the Cambodian problem since Vietnam is the aggressor.

His Excellency Son Sann said the meeting in Bogor achieved some successes because, first, all parties were able to meet for the first time; second, no party walked out of the Bogor meeting as at the United Nations; and third, the participants agreed to set up a working group to continue meeting until the end of the year which, he expected, might benefit some other points in the search for a solution to the Cambodian problem.

Foreign Observers Cited on SRV Threat
BK1208031888 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT 11 Aug 88

["Short Article" entitled: "Is the Hanoi Vietnamese Aggression Against Cambodia, or DK the Threat to Southeast Asia and the Asia-Pacific Region?"]

[Text] Many Western world strategists and diplomats are of the opinion that some people have raised the same idea as Vietnam and the Soviet Union, that is, the

Khmer Rouge must be eliminated in such and such a manner and the Khmer Rouge must do this and that before or simultaneously with the Vietnamese withdrawal from Cambodia.

These strategists and diplomats are of the opinion that such an idea is tantamount to placing the plow before the oxen—hiding the aggressor behind the victim and letting the victim of the aggression be beaten instead.

Can the Cambodian problem be resolved this way? Of course not. Isn't it dangerous to defend the Vietnamese aggression and join the Vietnamese aggressors in their attempt to eliminate a national force that is fighting against the Vietnamese aggressors? Isn't this a danger to the survival of Cambodia and the Cambodian people, to Southeast Asia, and to the passages in the South China Sea and the Malacca Strait? Isn't this a bad precedent in world history? Doesn't this impair the norms governing international relations and the UN Charter?

160 Soldiers Said To Desert Vietnamese
BK1208005488 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 11 Aug 88

[Excerpt] On 31 July, 160 fraternal Cambodian soldiers who were forcibly sent by the Vietnamese enemy to Phnum Malai region, Sisophon-Phnum Malai battlefield, western Cambodia, deserted the Vietnamese enemy and fled back home while the Vietnamese trucks were stuck in the mud. Thirty-four of these fraternal Cambodian soldiers, including a platoon commander, fled to join our National Army, bringing 8 guns along. [passage omitted]

Grenade Attack Reported in Battambang Town
BK1208011688 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 11 Aug 88

[Text] On 6 August, our guerrillas lobbed hand grenades at a Vietnamese position at Vat Ta Mim in Battambang town, killing a Vietnamese soldier and wounding two others.

Following our grenade attack, the Vietnamese enemies in Battambang town were in great panic and immediately announced traffic closing.

Laos

Vientiane Court Tries Heroin Production Case
BK1008061588 Vientiane Domestic Service in Lao 0500 GMT 10 Aug 88

[Text] This morning the People's Court in Vientiane held a tribunal meeting to try a criminal case of aliens sneaking into the LPDR and illegally setting up heroin production factories in an area at KM Marker No 26 and in Pakbeng District, Oudomsai Province. Chief of the

heroin production factory in the KM-26 area is Mr Kamchon Manitwilun alias Ati alias Laona, a Chinese of Thai nationality, and chief of the factory in Pakbeng is Mr Laosan alias Laosang alias Mongchong, a Chinese of Thai nationality. There are altogether 47 defendants on trial on this occasion—14 are of the Thai race and Thai nationality, four are of the Burmese race and Burmese nationality, four are of the Thai race and Burmese nationality, one is of the Burmese race and Thai nationality, four are of the Chinese race and Thai nationality, five are of the Chinese race and Burmese nationality, one is of the Chinese race and Chinese nationality, and the remainder are Lao nationals who were bought off by them. The defendants have been proved guilty of sneaking into the LPDR and deliberately producing heroin, giving bribes to accomplices, possessing guns, colluding with aliens in producing heroin, and abusing authority for private benefit and the benefit of associates.

The trial proceedings took place before hundreds of Vientiane residents and a number of foreigners.

Convicted Foreigners Deported

BK1108121588 Vientiane KPL in English 0906 GMT
11 Aug 88

[All numbers as received]

[Text] Vientiane, August 11 (OANA-KPL)—The People's Court yesterday sat in Vientiane to hear a criminal case of foreigners, who illegally infiltrated into Laos to process heroin at two sites in Oudomsai Province.

The illegal processing of heroin in the northern Oudomsai started on March 1, 1988. The Lao authorities searched the sites on June 5, 1988 and arrested 34 wrongdoers on the spot. All of them are foreigners. Later, 14 Lao citizens were arrested for their involvement in this illegal activity. The 50 accused brought to stand trial at the People's Court were found guilty of deliberately infiltrating to process heroin in Laos, and they were prosecuted as follows:

Mr. Kamchon Manitwilun, also known as Ati or Laona, and Mr. Laosan, also known as Laosang or Mongchong, were sentenced in absentia to 10 years' punishment; Mr. Khomsanmanit Atsawakun, also known as Anyot or Laota, and Mr. Chaklomicha, also known as Ai-han or Thunsayang, were each sentenced to 8 years in jail; Mr. Sompheng Keobounhouan was sentenced to 7 years in jail; six accused men were each sentenced to six years in jail; one was sentenced to four years in jail each [as received]; one was sentenced to three years in jail; 28 sentenced to two years in jail each, and two accused were sentenced to two years on probation.

According to the court's decision, all accused foreigners were expelled to their respective home countries. The People's Court decided to confiscate the properties of the

culprits and destroyed heroin and heroin processing equipment. The event was witnessed by hundreds of Vientiane people and a number of foreigners.

Phoumi Vongvichit Receives Japanese Delegation

BK1108115588 Vientiane KPL in English 0903 GMT
11 Aug 88

[Text] Vientiane, August 11 (OANA-KPL)—Phoumi Vongvichit, vice-chairman of the Council of Ministers and president of the National Committee for the International Year for the Child, received here yesterday a delegation of the Tokyo-based Japanese Association for the Promotion of Lao Children headed by its president Mrs. Chanthason Inthavong on a current visit here.

The vice-chairman thanked the Japanese people, particularly members of the association for their good will and sympathy for Lao children.

Questions aimed at strengthening relations and mutual assistance between the two sides were raised at the meeting. A consignment of aid worth 3,000 U.S. dollars was, then, handed over to the Lao National Committee for the International Year for the Child.

The Japanese association sends presents to Lao children every year.

Radio Calls for Elimination of Pol Pot Clique

BK1208042588 Vientiane Domestic Service in Lao
0000 GMT 11 Aug 88

[Unattributed article: "The Pol Pot Clique Must Be Eliminated"]

[Text] Respected listeners: The international conference on national reconciliation in Cambodia and dialogue and cooperation in Southeast Asia—attended by delegations from 18 countries and 5 international organizations—ended with brilliant success in Phnom Penh, capital of the PRK, a few days ago.

At the conference's closing ceremony, Mourad Ghaleb, AAPSO acting president, condemned the genocidal Pol Pot clique and demanded that it be eliminated and all forms of assistance to it be halted so as to prevent it from returning to power in Cambodia. At the same time, Morad Ghaleb wholeheartedly hailed the PRK's stand—a stand full of good intentions—on political settlement of the Cambodian problem. The 2-day international conference in Cambodia endorsed letters to the UN secretary general, the nonaligned countries, and the PRK Government, and approved a communique reaffirming the great achievements scored by the Cambodian people in the past nearly 10 years under the PRK Government's leadership, which is the only legitimate and independent government having friendly relations with many countries throughout the world and commanding high respect in the international arena. The communique voiced

support for the PRK policy of national reconciliation and saw it as the basis for efforts to seek a political settlement of the Cambodian problem.

The conference hailed the successful outcome of the first step taken by the various Cambodian factions at the Jakarta informal meeting and expressed the conviction that a path has been paved toward solution of the root cause of the Cambodian problem. The conference communique also overwhelmingly hailed the PRK's seven-point proposal advanced at the informal meeting in Bogor, pointing out that it constitutes a clear indication of the PRK's correct and consistent stand on trying to settle the Cambodian problem by political means and preventing the genocidal Pol Pot clique from returning to power in Cambodia, thereby completely conforming to the resounding aspirations of all countries in the region and the world.

At present, the world people have come to understand even more clearly than before that no country can stand alone without participating in a struggle for peace. Whether a country is large or small, it has a responsibility for the destiny of mankind and must contribute to solving conflicts through negotiations on the basis of an exchange of views and cooperation. With this high level of responsibility for the destiny of mankind, the world people—whether they live in socialist or capitalist countries, including the United States, the Great Britain, and several other countries—demand that the Pol Pot clique be eliminated and that assistance given to it be halted in order to prevent them from returning to power in Cambodia. They also regard this clique as the cause of tension in Southeast Asia.

Philippines

'Bolivian Scheme' Possible in Bases Talks
HK1208090788 Manila BUSINESS WORLD
in English 12 Aug 88 pp 1, 2

[By Jose G. Ebro]

[Text] With discussions on debt relief as a component of compensation under way at the Military Bases Review talks, a ranking official of the Department of Foreign Affairs [DFA] disclosed that the Philippine panel considered "the 'Bolivian scheme' the most ideal option, in light of the Philippine situation."

The innovative Bolivian scheme was hatched in 1987, when creditors undertook to support the stabilization and reform program of the new Bolivian Government by facilitating a formal debt buy-back arrangement. The scheme is monitored by the International Monetary Fund, which established a voluntary contribution account for Bolivia, to ensure that monies used for debt repurchase have been expressly committed for that purpose by donors.

Creditor banks agreed to amend the sharing provisions and other contractual limitations of earlier loan agreements to enable Bolivia to operate the scheme, on condition that the repurchase offer be made to all bank creditors on equal terms, that each bank would be free to accept or reject the offer in respect of its loan in whole or in part (with prorations according to the amounts offered), and that the banks can object to or forestall an offer if there is no assured prospect that the funds to complete it will be forthcoming.

Another BUSINESS WORLD source at the DFA indicated that trade considerations were being examined also as part of the compensation package. "We are trying to get increased tariff-free quotas for more of our goods, or at least get reduced tariffs to allow us more access to the U.S. market," the source said.

The official reasoned that with the impending removal of the "four dragons" (Hong Kong, Taiwan, Singapore and South Korea) from the U.S. General System of Preferences (GSP) and lobbying in the U.S. Congress towards the removal of China and Chile as well, a "huge vacuum is just waiting to be filled."

The Philippines wants greater access especially for its textile and garments industry.

"While the compensation issue is the most visible, and in public perception, the most critical issue," Foreign Secretary Raul Manglapus stressed before the Foreign Correspondents Association of the Philippines (FOCAP) is that "we consider other issues just as important." [sentence as published]

On the nuclear issue, "We are proceeding along the lines of the Ordonez opinion," he said. He qualified that any "executive action" may be questioned by the Supreme Court but expressed confidence that he didn't see the situation developing to that point.

According to Justice Secretary Sodfrey Ordonez, the right to determine the "national interest" rests with the executive.

Sec Manglapus disclosed that the Philippine panel was moving for the removal of the phrase "unhampered military operations" since this had been "inserted into the MBA [Military Bases Agreement], not at the inception, but somewhat later, and we don't consider it the essence of our military relationship."

Mr Manglapus said he was trying to get a provision on "prior consent" worked into the agreement. This would provide the Philippines with the option to approve or deny the U.S. the use of its bases from which to conduct military operations.

Observers noted such a clause would propitiate to a certain extent Filipino nationalist sentiment and assuage a "fear that the U.S. can push the button whenever it may choose to do so."

'Unhampered' U.S. Military Operations Discussed
HK1208084388 Quezon City MALAYA in English
12 Aug 88 p 2

[Text] The Philippine panel in the ongoing review of the Military Bases Agreement [MBA] is asking the U.S. panel that the term "unhampered military operations" of U.S. forces in the Philippines be dropped, Foreign Secretary Raul S. Manglapus said yesterday.

Speaking before the Foreign Correspondents Association of the Philippines, Manglapus said the words "unhampered military operations" were inserted not in the beginning of the 41-year-old MBA but "somewhat later."

"Therefore, we don't consider it essential. We don't consider it essential. We don't consider it of the essence in our (RP [Republic of the Philippines]-US) military relationship," Manglapus said. "We are asking that it be dropped from the agreement."

Manglapus, however, declined to reveal the reaction of the U.S. panel to the Philippine proposal.

The words "unhampered military operations" were introduced into the MBA in the 1979 review of the accord which also placed Clark Air Base and Subic Naval Base under the command of Filipino base commanders.

The 1979 MBA amendment stated that "the United States shall have the use of certain facilities and areas within the bases, and shall be granted unhampered military operations involving its forces in the Philippines."

In the 1983 MBA amendment, it was stated that "the operational use of the bases for military combat operations other than those conducted in accordance with the Philippine-U.S. Mutual Defense Treaty and Southeast Asia collective Defense Treaty (Manila Pact) or the establishment by the Government of the U.S. of long-range-missiles in the bases, shall be subject to prior consultation with the Government of the Philippines, notwithstanding the provision of the 1979 amendment to the Military Bases Agreement assuring the United States of unhampered military operations involving its forces in the Philippines."

Manglapus declined to say if the U.S. panel has agreed to the Philippine demand to change "prior consultation" with "prior consent."

Meanwhile, the National Union of Students of the Philippines will lead various youth and student organizations in a caravan dubbed as "Sakbayan ng Kabataan

para sa Kalayaan" ["Youth for Freedom Caravan"] today to protest the presence of the U.S. military facilities in the country and the government's alleged inclination to retain the bases.

The caravan, jointly sponsored by the League of Filipino Students [LFS] and College Editors Guild of the Philippines, will start the caravan at Liwasang Bonifacio, then pass through major towns of Bulacan and stop for a vigil in front of the main gate of Clark Air Base in Angeles City.

The following day, the students will proceed to Olongapo City to stage a picket in front of the main gate of Subic Naval Base.

Nathaniel Santiago, LFS chairman, expressed hope that "the goons and prostitutes" of Olongapo City Mayor Richard Gordon would not harass the students, as he noted such a harassment of their mass action there in 1985.

Other organizations scheduled to join the caravan are the Student Christian Movement of the Philippines, Kabataan Para sa Demokrasya at nasyonalismo, [Kadena Youth for Democracy and Nationalism] and students from major universities in Angeles and Olongapo cities.

Student Antibases March To Stop at Clark, Subic
HK1208042788 Quezon City Radyo ng Bayan
in Tagalog 0300 GMT 12 Aug 88

[Text] A militant students association will mobilize a caravan that they will take to the U.S. military bases to manifest their opposition to having those bases in the country. The march is being spearheaded by the National Union of Students of the Philippines and the League of Philippine Students. The details from Tony Valencia:

[Begin recording] According to the organizers, the caravan, dubbed the Youth Drive for Freedom, is a manifestation of Philippine youth's desire for a democratic, progressive, and free society. The caravan will originate in Liwasang [Plaza], Bonifacio today, passing through various municipalities in Bulacan, and then stopping at Clark Air Base, where a cultural program will be mounted. Tomorrow the caravan will pass through various towns and municipalities in Pampanga and head for Subic Naval Base in Olongapo City, where youth leaders will air a polemic on the U.S. military bases in the country. They will also discuss issues of national and economic sovereignty, security, and moral integrity. [end recording]

Manglapus Disclaims Relationship With CIA
HK1208071788 Manila PHILIPPINE DAILY GLOBE
in English 12 Aug 88 p 1

[Text] Foreign Affairs Secretary Raul S. Manglapus yesterday disclaimed any relationship with the U.S. Central Intelligence Agency, either during his exile in the United States or in his early years in politics.

Manglapus made this disclaimer during the press conference held yesterday by the Foreign Correspondents Association of the Philippines.

"I was too young to be taken seriously by American intelligence," Manglapus said of his early years with President Ramon Magsaysay.

Many historians have noted President Magsaysay's government was heavily influenced by American advisers, believed to be CIA operatives.

Manglapus then formed part of the so-called "Magsaysay's boys" which included Manuel P. Manahan, a close friend of Raul Manglapus.

Manglapus, who now heads the Philippine panel negotiating the bases agreement, declined to comment on reports that he was shabbily treated while in the U.S.

He said how he was treated during his 13 years exile in the U.S. is not "material" to his conduct in the ongoing bases review.

Maritime Boundary Talks Scheduled With Malaysia
HK1208021788 Manila Far East Broadcasting
Company in English 2300 GMT 11 Aug 88

[Text] Foreign Affairs Secretary Raul Manglapus has announced the start of negotiations for the settlement of maritime boundaries in the South China Sea between the Philippines and Malaysia. In a speech at a foreign affairs press corps luncheon, Manglapus disclosed that Ambassador Pablo Suarez had reported from Kuala Lumpur that meetings have been held with the Malaysian Foreign Ministry to set the groundwork for the talks. According to Suarez, the meetings followed the Malaysian Government's announcement that it would not appeal the court acquittal of the 48 Filipino fishermen accused of fishing illegally in Malaysian waters. According to Manglapus, the fishermen will be released today and brought back to Manila by a Philippine Air Force cargo plane which is scheduled to ferry them from Kota Kinabalu tomorrow morning.

Meanwhile the Fabella Fishing Corporation has sent one of its ships, the "MV Blue Rays," to tow from Labuan port in Malaysia its three fishing vessels that had been used by the fishermen which had also been detained there.

Malaysia Sends Warning

HK1208074788 Manila Radio Veritas in Tagalog
0700 GMT 12 Aug 88

[Text] Malaysia has warned that it would again arrest any Philippine fishermen caught wandering in its territorial waters off the eastern coast of Sabah.

In an interview by [Ella Tana] of the NEW STRAITS TIMES daily this morning, Foreign Minister Abu Hassan Omar said that Malaysia will not tolerate intrusion by anyone into its territory. He said that a diplomatic note stating such will be sent to Manila.

Meanwhile, BERNAMA, Malaysia's national news agency, said that the 48 Philippine fishermen were overwhelmed with joy upon knowing that they will soon be sent home. According to David Wong, counsel for the fishermen, who is presently in Kota Kinabalu, the fishermen could not wait to be reunited with their families. Wong had informed them that before the end of the week they will be flown home aboard a Philippine Air Force plane.

Warned Against Intrusion

HK1208091588 Quezon City Radyo ng Bayan
in Tagalog 0900 GMT 12 Aug 88

[Text] Malaysia stands firm against entry of Philippine fishermen into its territorial waters. It has asked Philippine authorities to warn Filipino fishermen against entering Malaysia's economic zone in the South China Seas. This followed an agreement between the two countries leading to the release of 48 fishermen presently detained in Kota Kinabalu.

According to a report from the Department of Foreign Affairs, Malaysia's request that the Philippine authorities issue the warning to fishermen was contained in a diplomatic note.

Editorial on Government Inaction on Fishermen

HK1208085388 Manila THE MANILA CHRONICLE
in English 12 Aug 88 p 4

[Editorial: "A Triumph of Imagination"]

[Text] Twice this year, the government has shown a strange propensity for celebrating imagined diplomatic victories: First, it broke out the champagne when the Organization of the Islamic Conference did not recognize the MNLF, though it turned out later that there was never any chance of the recognition being given—the government had been taken in by a propaganda bluff.

Now, once again, it is rushing to pat itself on the back over its success in resolving a sticky issue and persuading the Malaysian cabinet to release the 48 Filipinos detained in Sabah.

But on closer sight, is it success after all?

The sticky issue, it seems, remains sticky. Malaysia has specifically reasserted its claim over the area where it seized the fishermen, an area the Philippines also considers to be its territory.

There is no guarantee that Filipinos fishing within the disputed territory won't be molested again.

The diplomatic dilemma which is unresolved is this: If Filipino fishermen go to the disputed waters, they run the risk of being seized by the Malaysians. If they don't go there, the Philippines will be tacitly conceding its sovereignty.

Because of the incident, our fishermen have stopped visiting the area since April, resulting in revenue losses to our economy amounting to \$10 million to \$20 million. There has been no word on whether we will be compensated for this, on whether the fishermen will get restitution, on whether they will get back their vessels intact (the boats have reportedly been stripped of parts by the Malaysians).

Instead of working on these, government is pointing to the release of the 48 as a triumph of "quiet diplomacy." But it seems the "push" which resolved the case came not so much from quiet diplomacy as from an angry public, incensed by the death of a fisherman detained for almost 120 days.

What the public saw was this: The government stood by and allowed Filipino citizens, fishing in what they believe is their territory, to be seized, imprisoned, humiliated, and then subjected to the leisurely pace of Malaysian justice; it refused to take offense at Kuala Lumpur's repeated snubs; it declined to protest vigorously about the prisoners' treatment and demand an inquiry into their living conditions; it did not bridle when the Malaysians refrained from issuing a high-level apology for the death of a Filipino prisoner it was detaining.

Perhaps these inactions comprise what the government calls its "quiet diplomacy."

Compared with our President, who actually undercut our position by publicly saying that the fishermen got "lost," the Malaysian Government acted with cynical calculation.

It is impossible not to suspect that their cabinet—which decides on matters as trivial as whether or not to allow Michael Jackson into Kuala Lumpur—had a hand in the incident from the very start.

Now, the Philippines winds up being a grateful and elated recipient of Malaysia's "good will." The government might pause and reflect how minimalist its goals are in thinking that the release of the fishermen solves everything. Such an outlook tends to leave the loose and often messy ends to sort themselves out later.

In the community of nations there is a world of difference between a peace-loving country that knows what its goals are, and a peace-loving country that doesn't even know when its interests are threatened.

Suspected Japanese Terrorist Said Held in Manila
HK1008114588 Quezon City GMA 7 Radio-Television Arts Network in Tagalog 1030 GMT 10 Aug 88

[From "GMA News" program]

[Text] A suspected member of the extremist Japanese Red Army is presently detained at the Western Police District [WPD]. The man identified as Yoshi Hirano was arrested by police authorities after another Japanese, Shiuharo Inoye, filed estafa complaints against him. Hirano allegedly took 4.5 million pesos from the complainant.

Meanwhile, WPD intelligence chief Robert Barbers received information that Hirano was a Red Army agent. The matter is now being clarified with the Commission on Immigration and Deportation.

Hirano allegedly introduced himself as an American citizen but had no papers to prove it. The American Embassy also failed to identify him.

Aquino Visit to Brunei 29-31 August
HK1108140888 Manila Radio Veritas in Tagalog 1300 GMT 11 Aug 88

[Text] President Corazon Aquino has officially accepted an invitation to visit the State of Brunei Darussalam for 3 days. The president will visit Brunei from 29-31 August. Brunei will be the third ASEAN country visited by the president.

Probe of Military Men Involved in Graft Ordered
HK1208045188 Quezon City Radyo ng Bayan in Tagalog 0100 GMT 12 Aug 88

[Text] Defense Secretary Fidel Ramos has ordered the investigation of military officials believed to be involved in graft and corruption. This move followed his recommendation to install a deputy ombudsman in the Defense Department. This is in support of the government's house-cleaning campaign. Ramos did not mention who will be appointed as deputy ombudsman, but added that the person should be capable of tackling the job.

Ramos Urges Easier Gun Ownership
HK1108041388 Manila Far East Broadcasting Company in English 2300 GMT 10 Aug 88

[Text] Defense Secretary Fidel Ramos has endorsed the liberalization and the licensing of firearms for law-abiding citizens to protect them from lawless elements. He said he discussed this matter during the Senate hearing on Tuesday to make it easier for one who is

law-abiding to have his firearms licensed. Ramos said the red tape involved in the licensing of firearms should be dispensed with; however he said he is for the stricter gun control of loose firearms. Ramos said PC chief Major General Ramon Montano has been directed to undertake anew a study on firearms laws and regulations.

Inefficient Gun Control Sows Fears of Violence
*HK1208020188 Hong Kong AFP in English 0138 GMT
12 Aug 88*

[By Cecilia Quiambao]

[Text] Manila, Aug 12 (AFP)—Inefficient gun control has put hundreds of thousands of weapons in private hands in the Philippines, sowing fears of spiralling violence among the general public and highest officials alike.

Despite the proliferation, police say the crime rate in Manila is roughly 40 times less than in San Francisco, New York and other major U.S. cities, and comparable to Tokyo and Bangkok. But people are still worried.

Soldiers, rebels, gangsters, politicians and anxious citizens brandishing their guns have become a common sight in the country, where obtaining firearms could be as easy as buying a piece of real estate.

"More and more powerful weapons are being seen in public. More and more powerful weapons are being used in crime," President Corazon Aquino told the national police, which is tasked with licensing guns, in a speech Monday.

"An important element in the drive against crime is gun control," she said, adding: "I will not have this government and this army authorizing crime."

Mrs. Aquino has instructed police and military officials to supply her with a list of gun licenses "so that anyone apprehended with an unlicensed firearm will not suddenly be able to produce a license and permit."

The authorities face a daunting challenge. An estimate in May showed there were 424,000 licensed firearms and 184,300 unlicensed or "loose" guns.

They are in the hands of communist and Moslem rebels, criminals and ordinary citizens, and observers believe the figure of unlicensed guns could be higher.

An office clerk who owns an unlicensed .38 caliber revolver told AGENCE FRANCE-PRESSE that acquiring firearms in Cavite province, a two-hour's drive away from the capital, was very easy with an abundance of illegal gun dealers.

He said a friend convinced him to buy a gun for 1,200 pesos (57 U.S. dollars) in 1981 after a rash of thefts in his neighborhood, causing him to worry about his family's safety.

He added that he knew at least 50 people who also own unlicensed guns, some purchased from policemen and soldiers or gun dealers. Some soldiers are known to sell their guns after reporting them lost in combat.

In Mindanao, the large southern island rife with insurgents and bandits, practically every household has a gun, and among the Moslem minority in that island, carrying a gun is equated with masculinity.

"Guns wield power and bring quick results," university professor Cristina Montiel was quoted by the MANILA CHRONICLE newspaper as saying.

"The way our society is structured, with a few holding economic and political power over many, it is a guaranteed source of frustration," she said. "Frustration breeds aggression."

The communist New People's Army, two-thirds of whose estimated 12,500 to 25,000 fighters are armed, attracts poor peasants and workers and usually gets guns by snatching them from lawmen or by raiding armories.

In addition, constabulary officials tallied 1,195 organized crime groups with 5,770 members and 1,740 firearms.

The professor said most Filipinos who own guns tend to handle conflict not through argument or debate, but through aggressive behavior such as using a weapon.

In Manila's slum districts, residents have become used to seeing a drunken argument among men turn into a shooting spree.

A large part of the domestic gun market is supplied by manufacturers of an illegal but flourishing handgun manufacturing industry in Danao, an industrial city near Cebu, capital of the central Philippines.

Although illegal, gun manufacturing is an established cottage industry in Danao, where local officials and lawmen have tolerated the trade for years.

Skilled gunsmiths there can produce inexpensive replicas of .22 and .38 caliber revolvers popularly known as "paltik." Their products are standard equipment for private security guards and gangsters in this country.

Some paltiks have even found their way to Japan, via Yakuza gangsters who take advantage of this country's lax laws.

Delays in Army Salary Payments Alleged

HK1208045988 Manila THE MANILA CHRONICLE
in English 12 Aug 88 pp 1, 6

[Text] Sen. Ernesto Maceda, chairman of the Senate committee on defense and security, disclosed yesterday that salaries for July 16-31 of half of the 160,700 personnel of the Armed Forces had been delayed for the past two weeks.

The unpaid salaries, along with unpaid food allowances for August, reportedly run to P500 million.

Maceda said in a privilege speech that the delay was confirmed by Gen. Renato de Villa, AFP [Armed Forces of the Philippines] chief of staff.

He quoted De Villa as saying that the Department of Budget Management (DBM) had not yet released the money for the soldiers' salaries and allowances and that De Villa's office was "trying to work (things) out."

"How can we expect them to fight the insurgency when they don't get paid on time?" Maceda asked.

He disclosed that the entire Army, totaling 65,000 officers and men, were among those who failed to get their salaries on time.

"Responsibility for this tragic situation lies squarely with the DBM—now being referred to by soldiers as the Department of Badshot and Mismanagement," Maceda said.

He asked whether reports about the government being bankrupt were true. "Wala ba tayong kwarta talaga [do we really not have money]?"

Sen. Neptali Gonzales, chairman of the Senate committee on finance, cautioned Maceda against insinuating that the government was broke because this could trigger adverse consequences.

Gonzales also defended DMB officials, saying they had not committed any illegal disbursements as alleged by Maceda.

Maceda said complaints about the delayed salaries came mostly from those assigned in Southern Luzon.

Reacting to Maceda's disclosures, Maj. Gen. Mariano F. Adalem, Army chief, blamed a new disbursing system of the budget department for the delay.

Adalem said however, money had been sent to soldiers in the field to cover their unpaid salaries and allowances.

"It is not a very big problem," he told reporters in Camp Aguinaldo. "It has been practically solved since yesterday (Wednesday)."

Adalem also denied that the entire Army had been unpaid.

He said all the Army's eight infantry divisions, except for one, were able to withdraw money from the bank for their salaries and allowances.

Each division has 5,000 to 6,000 men.

Only the Second Army Division in Camp Capinpin, Tanay, Rizal, failed to get money for the salaries of its officers and men, he said. This amounted to P11 million.

Adalem said the budget department had released some P274 million to replenish the Army's funds deposited at the United Coconut Planters Bank (UCPB).

Under a new funding scheme, Adalem said, the budget department usually releases funds of the Army and other major AFP service commands once every two months.

Comelec To Deputize Army for Barangay Polls

HK1208090188 Manila MANILA BULLETIN
in English 11 Aug 88 p 8

[By E.T. Suarez]

[Text] The Commission on Elections (Comelec) decided yesterday to deputize the Armed Forces of the Philippines (AFP) and other law enforcement agencies for the Nov 14 barangay election, saying its assessment of the peace and order condition obtaining in various regions of the country showed that such action is necessary for a free and orderly polls.

The Comelec approved in an en banc session Resolution No. 2023 requesting the concurrence of President Aquino in the deputation of the AFP and other law enforcement agencies in accordance with Article 9 of the Constitution.

The resolution, a copy of which will be given to the Office of the President by Comelec Executive Director Vicente de Lima, was signed by Comelec Chairman Hilario G. Davide Jr and Commissioners Alfredo E. Abueg Jr, Haydee B. Yorac, Leopoldo L. Africa, Dario C. Rama, Andres R. Flores, and Magdara B. Dimaampao.

Aside from the AFP, covered by the proposed deputation are the Integrated National Police [INP], National Bureau of Investigation, and all departments, bureaus, offices or agencies of the government, including government-owned or controlled corporations.

Abueg, who briefed newsmen on the preparations being done by the Comelec for the Nov 14 barangay polls, explained that when the AFP is deputized, the poll body can direct the military not to effect changes in assignment of regional, provincial, unit commanders and all INP personnel until the previous written permissions of the commission are secured.

He said AFP personnel will provide security for any polling place and the members of the boards of election tellers as well as the members of the boards of canvassers in every barangay.

"The law enforcement agencies can be required by the Comelec to take such measures as may be necessary to prevent the members of special forces and barangay self-defense units from engaging in partisan activities or any act of terrorism, intimidation, coercion, harassment or reprisal during the registration of voters as well as on election day," he added.

They can also be required to enforce specific orders of the Comelec to remove, confiscate or tear down prohibited election propaganda or advertisement, it was pointed out.

Number of Barangays Freed From NPA Influence

HK1208073388 Manila PHILIPPINE DAILY
GLOBE in English 12 Aug 88 p 2

[Text] Intensified military operations against communist rebels have resulted in the "liberation" of 840 barangays from the influence of the New People's Army, Maj. Gen. Mariano P. Adalem, Army commander, said yesterday.

Adalem told newsmen that since October last year, when the Special Operations Teams (SOTs) were fielded, some 840 barangays that used to be controlled by the rebels have been won back to the government.

Last year, military estimates placed the number of communist insurgency-affected barangays at 8,400 or about 20 percent of the more than 42,000 barangays in the country.

The "liberation" of the 840 barangays means a decrease in the number of insurgency-affected barangays in the country, Adalem said.

Only last month, Adalem added, Army SOTs "liberated" 60 communist infested barangays in Luzon.

This month, Adalem said, SOTs will concentrate their operations in the rebel-infested province of Isabela.

One of the factors delaying the "liberation" of more barangays, is the delay in the organization of Citizen's Armed Forces Geographical Units (CAFGUs) in many areas in the country, he said.

The CAFGUs are the so-called stay-behind forces who will hold the communities that have been rid of rebel influence.

CAFGU members are all volunteers, but are considered to be members of the AFP [Armed Forces of the Philippines] reserve force on active duty. They are given a monthly allowance of P540 each because they are allowed to keep their regular jobs.

CAFGU volunteers, however, are given uniforms, are subject to the Articles of War, and are provided with firearms by the AFP.

The success of the SOTs, Adalem said, is expected to prompt communist rebels to commit more terroristic acts in their effort to prevent their comrades and supporters from returning to the fold of the law."

Constabulary Blunts NPA's Leyte Offensive

HK1208043188 Manila Far East Broadcasting
Company in English 2300 GMT 11 Aug 88

[Text] The Constabulary claims to have blunted the so-called August offensive of the New People's Army in Leyte. PC Recom [Regional Command] 7 deputy commander for operations Colonel Wilfredo Riotota said NPA rebels last week launched a diversionary attack on a PC-INP detachment on Burauen, Leyte, in the hope of enticing government reinforcements by land. Riotota said that instead of sending troop reinforcements, this was done by air. Two Philippine Air Force helicopters with troops on board arrived at the battle scene in less than 20 minutes after the diversionary attack commenced. He said two civilian volunteers were killed in the attack and the NPA sustained five dead.

Quezon 'Rebels' Propose New 'Prisoner Exchange'

HK1208072588 Manila PHILIPPINE DAILY
INQUIRER in English 12 Aug 88 pp 1, 10

[By Art Sampana, with report by Rita Villadiego]

[Text] Lucena City—Negotiations for the release of the five soldiers captured by New People's Army rebels in Quezon appear to be far from over.

Yesterday, a local official close to pro-government civilian negotiators said the rebels proposed another "prisoner exchange," this time involving two "missing" NPA sympathizers.

The official said the rebels led by rebel spokesman asking [as published] Gregorio Rosal have sought the help of the civilian panel to make arrangements with the Southern Luzon Command [Solcom] for the release of the two sympathizers who, he claims, are under military detention.

The military, however, has yet to confirm that the two, identified by Rosal as Amelia Oblina and Freddie Capio, both 20, are in their custody. Rosal said they were picked up by the military at the height of the negotiations for the release of the five soldiers.

The INQUIRER source, however, said Rosal failed to elaborate on this matter during the "last formal talk" between the two panels Monday night, when rebels announced they will free on Sunday Army Lieutenants

Abraham Casis, Oscar Singson, Clarito Santos and Rommel Salamanca and Constabulary Sgt. John Jacob who were captured last June 1 by rebels in Tiaong, Quezon.

He said Col. Hernani Figueroa, Solcom spokesman, yesterday went to the residence of former Lucena City Mayor Euclides Abced, the spokesman of the civilian panel, to discuss the matter.

It was not known, however, if the rebels will go ahead with the release of the five soldiers if their latest demand is rejected.

He also said Abcede and Rosal have kept up their communications either by two-way radio or by meeting in Barangay Mamala, in Sariaya where Rosal and his rebel group have been staying since the start of the talks Monday night.

Yesterday, two military helicopters were seen hovering over Sariaya which the military believes to be the place where the rebels will turn over the hostages to the negotiators, the INQUIRER source said.

Rosal reportedly complained to Abcede over the radio about the two helicopters. It was learned, however, that one of the helicopters was carrying Brig. Gen. Alejandro Galido, Solcom chief, who was on his way to camp after a conference with his field commanders in another province.

The INQUIRER tried to reach Abcede for comment but Abcede was reportedly locked in conference with Rosal yesterday afternoon in an undisclosed house in Barangay Mamala.

The other day, Army soldiers under Col. Thelmo Cunanan were pulled out of the foot of Mt. Banahaw on the request of Rosal. The troops allegedly took up positions near the rebel mountain stronghold.

Galido ordered the pullout giving communist rebels a wider area for withdrawal when they release the five captured officers on Sunday.

Military Denies Demands Made

*HK1208102788 Quezon City Radyo ng Bayan
in Tagalog 1000 GMT 12 Aug 88*

[Text] All is ready for the release on Sunday of five government soldiers held by rebels since 1 June. In an interview with newsmen at Camp Aguinaldo, Southern Luzon Command chief Brigadier General Alejandro Galido stated that he expected the release to go on as scheduled.

He also denied that the guerrillas have come up with new demands as was reported in the papers.

Sison Subject To Arrest Upon Entering Country

*HK1208044788 Quezon City Radyo ng Bayan
in Tagalog 0100 GMT 12 Aug 88*

[Text] The Armed Forces of the Philippines [AFP] will arrest Jose Maria Sison, CPP [Communist Party of the Philippines]-NPA chairman, in the event of his return to the country. This was announced by AFP spokesman Colonel Oscar Florendo yesterday. Florendo said that Sison's arrest would be legal because he did not file for amnesty when he was released in the February 1986 People's Power revolution. It was learned that Sison is planning to come back because he fears that Benito Tiamson, alias Comrade (Iyo) will take his place as party head. Tiamson is the current CPP-NPA vice chairman.

Top NPA Leader in Iloilo City Arrested

*HK1208082188 Manila Radio Veritas in Tagalog
0700 GMT 12 Aug 88*

[Text] A top CPP [Communist Party of the Philippines]-NPA leader reportedly operating in Negros Island was arrested during a raid conducted by Captain Juan Mabugas Jr on Lucky Homes Subdivision, Jaro, Iloilo City, last Wednesday. Arrested was Anselmo Vicente Sabalia alias Comrade Erwin or Anik believed to be deputy commanding officer of the Southeastern Front Guerilla Unit in Negros Island. Also arrested were Sabalia's wife Mary June Aboido alias Tisay, District 3 secretary of the Southeastern Front Committee; and their helper Janice Sangirib.

Mabugas said that the raid was authorized by a state warrant issued by the ITC [expansion unknown] Executive Judge Ricardo M. Ilayde.

Meanwhile, five armed men who introduced themselves as CPP-NPA members robbed a dried coconut factory in Barangay Kabuyao, Pabiya, Iloilo, yesterday. According to the police, the suspects carted away a VHS recorder set and P4,000 cash. The factory is owned by Barangay Captain Enrique Soldevilla. The police chased the suspects and cornered them in Barangay Agutayan, St Barbara, and a short gun battle ensued forcing the suspects to flee to different directions.

Recovered from the clash site were two (?hand set) radios, subversive documents, and the P4,000 cash which the rebels took from the factory.

Kalinga NPA Suspects Arrested; Families Flee

*HK1108092388 Manila Radio Veritas in Tagalog
0700 GMT 11 Aug 88*

[Text] The Regional Command [Recom] 2d Intelligence Command team arrested 6 New People's Army suspects in Kalinga Apayao. For details here is Rey Rodriguez reporting from Camp Aguinaldo:

[Begin recording] Six NPA suspects reportedly operating in Kalinga Apayao were arrested at around 2100 2 days ago in Barangay Amiao, Tabuk, Kalinga Apayao by Recom 2 Intelligence Command team. The suspects were identified as Tony Sabado, Roger Juandacay, Danny Baliling, Benjo Sabado, Odie Patalbas, and Elay Baliling all resident of Barangay Amiao.

Recovered from the suspects were an M-16 rifle, two carbines, a garand rifle, rounds of ammunition, and six jungle packs. The suspects were reportedly undergoing a thorough tactical interrogation. [end recording]

Meanwhile, about 60 families from two barangays in Zamboanga del Norte fled their homes. The families totalling 250 people came from Barangay Tabayo and Rikunala, Siocon, Zamboanga del Norte. They reportedly left their homes due to MNLF atrocities.

Antiterrorist Squads Reactivated in Manila
HK1208082588 Manila PHILIPPINE DAILY
GLC/E in English 12 Aug 88 p 7

[By correspondent Arkhon Antolin]

[Text] Capcom [Capital Regional Command] chief Brig Gen Alexander Aguirre ordered yesterday the four police districts in the metropolis to reactivate their "Eagle Squads" to thwart a plan of communist urban terrorists to launch attacks on selected targets this month.

In a directive to all police forces under the Metropolitan Police Force, Aguirre alerted his men about the New People's Army's Alex Boncayao Brigade's plan, code-named "August Offensive," to terrorize Metro Manila by launching attacks on selected targets.

Capcom sources said Aguirre ordered the reactivation of the anti-communist terrorist squads also after receiving intelligence reports that Sparrow Units would intensify their attacks against police and military personnel.

In related development, Capcom sources said 21 rebel safehouses in Metro Manila are now under close watch by police and military authorities.

Twelve of these safehouses are being used by "Sparrows" for meetings to plan their moves.

Some of the safehouses are also used as "retreat houses" for "Sparrows" who have been identified during operations like liquidations of policemen and military personnel.

In these retreat houses, injured terrorists also undergo treatment, Capcom sources said.

Other safeguards are used as storage for firearms.

Capcom sources said the safehouses were discovered after a month of surveillance. Authorities are expected to launch operation against safehouses any time now.

United Front Said Infiltrating Trade Unions
HK1008095788 Manila Manila Broadcasting Company
DZRH in Tagalog 0830 GMT 10 Aug 88

[Text] Bing Formento reports from Mobile Unit No 11:

[Begin recording] [Formento] Defense Secretary Fidel Ramos today said that the united front organizations of the Communist Party of the Philippines [CPP]-NPA are the strongest groups among the underground movements doing propaganda work. According to their analysis, the captured diskettes from Central Luzon reveal that the rebels are infiltrating labor parties. Reports say that 39 trade unions in Central Luzon have already been infiltrated by this CPP group. According to Ramos:

[Ramos in English in progress] ...to call attention to the united fronts' building activities of the CPP-NPA and the NDF. We have embarked on a new campaign to heighten our people's awareness of the real nature of the communist insurgency in our country. And as we have said on many occasions, the CPP-NPA-NDF movement is a political movement. It is not simply guerrilla warfare in which the protagonists are the Armed Forces of the Philippines, and the New People's Army. The more potent and dangerous portion of the movement is the united front organization, which carries out the legal as well as the covert political and organizational work of the movement, including their recruitment, fund raising, infiltration, and propaganda work. In our analysis, based on a recently analyzed captured diskette, there have been some reports by the NPA, by the CPP-NDF themselves, that some 14 out of 39 trade unions in Central Union have been infiltrated by the party in varying degrees. And these unions are those that are dominant in the mining, textile, and transport industries. This is based on their own records. According to the same report, they are also planning to implement their own so-called agrarian reform code, which, of course, is radically different from that provided for under the law.

[Formento] That was Defense Secretary Fidel Ramos' statement. He also said that they are still analyzing several documents captured by the military, and they believe that the CPP-NPA-NDF United Front's building activities will be carried out in the CPP's overseas commission, and it is being assisted by the NDF within the state. [end recording]

Media Reportedly Infiltrated by NPA
HK1008094788 Manila Manila Broadcasting Company
DZRH in Tagalog 0900 GMT 10 Aug 88

[Text] The military is closely watching left-leaning reporters believed to be sympathizing with communist rebels. A report said that the military discovered the guerrillas' operation, which includes fielding agents and posing as genuine writers, to infiltrate the media.

It was reported that the rebels disguised as media men attend various media gatherings at the National Press Club and other media associations. Other places frequented by the infiltrators are the NPC bar, and other eateries at Manila's Jones Bridge. The military is also keeping watch on these establishments, the report added.

Warned Against Propaganda

HK1208043788 Manila Far East Broadcasting Company in English 2300 GMT 11 Aug 88

[Text] Commissioner Jose Luis Alcuaz of the National Telecommunications Commission [NTC] has called on the electronic media to be vigilant against the New People's Army's propaganda. At the same time, Alcuaz warned the electronic media that should it fail and fall into the communist trap, the NTC will use the full force of law, like suspending or revoking the licenses of their offices. Alcuaz also stressed that the government will not allow any stations to be used by the NPA for propaganda nor will it allow any NPA elements to single out any station, operator, or network to whom they want to teach a lesson. He added that it is all right to report on NPA activities if they are related to current events and public official reportage. But what is not permissible is to entertain propaganda material like press releases and statements.

Threatened With Closure

HK1208081388 Manila PHILIPPINE DAILY GLOBE in English 12 Aug 88 p 6

[By staff writer Ros Manlangit]

[Text] Radio and television stations that broadcast propaganda for the communist-led underground will be closed, National Telecommunications Commissioner Jose Luis Alcuaz warned yesterday.

Alcuaz said some stations have overstepped the legal bounds of their franchises by accommodating "propaganda" of the outlawed Communist Party of the Philippines and its military arm, the New People's Army.

Alcuaz did not elaborate on what he meant by "communist propaganda," however.

Several radio stations have broadcast radio messages from communist leaders involved in negotiations for the release of four Army officers and a constabulary sergeant captured by the NPA in Quezon. It was not immediately clear if Alcuaz was referring to the broadcasts.

Alcuaz likewise condemned the reported burning by communist guerrillas of the government-owned DYHP radio station in Bacolod City. The suspects, whom the NPAs claimed in a subsequent radio broadcast as among their men, totally destroyed the DYHP transmitter rendering the station inoperable in the next few months.

Another attempt to burn a nearby station, DYEZ, was unsuccessful, according to reports from Negros Occidental last week.

In both incidents, Alcuaz said the NPA went on the air to claim responsibility for the attacks.

Alcuaz warned owners of broadcast facilities, which are all subject to NTC's [National Telecommunications Center] regulatory powers, "not to fall into the claws of communist propagandists."

He reminded them the NTC can revoke their licenses in the interest of national security.

40 Officials Said Facing Graft Charges

HK1008115788 Quezon City GMA 7 Radio-Television Arts Network in Tagalog 1030 GMT 10 Aug 88

[From "GMA News" program]

[Text] Forty officials including two former local under secretaries will face graft and corruption charges. According to Cabinet Secretary Jose de Jesus, President Aquino asked ombudsman Conrado Vasquez to speed up the trial of the cases against the so-called big robbers.

Meanwhile, the Office of the ombudsman requested 20 investigators to handle the charges.

Mr De Jesus admitted that the gathering of evidence was taking a long time.

[Begin De Jesus recording in English] Of course, when it comes to graft chasers, the rules of evidence has to govern, OK? And much of the delay in the prosecution of graft cases has to do with the collection of evidence that can stand in court. In many cases, the complaints that are coming in are unsigned, or people refused to sign affidavits. So, that delays the completion of the process. [end recording]

Aquino Family Not Involved in PCGG Anomalies

HK1108051588 Quezon City Radyo ng Bayan in Tagalog 0400 GMT 11 Aug 88

[Text] Solicitor General Frank Chavez said yesterday that none of Aquino's relatives are involved in the PCGG [Presidential Commission on Good Government] anomalies. Chavez, who is presently on leave, appeared before the Senate's ombudsman probe body on the second day of the hearing. He refuted reports saying that several of the president's in-laws are involved in the PCGG anomalies. Chavez is expected to submit documents today supporting his corruption charges against PCGG officials and employees.

Mitra Dismisses Call for Aquino's Impeachment
*HK1108113988 Quezon City GMA 7 Radio-Television
in Tagalog 1030 GMT 11 Aug 88*

[From GMA News]

[Text] House Speaker Ramon Mitra has dismissed the impeachment call against President Aquino. Mitra based his move on the opinion issued by the Lower House's Chief Legal Counsel Camilo Sabio. Sabio said that the impeachment complaint, and the resolution of endorsement, filed by former Assemblyman Homobono Adaza were weak and baseless.

Meanwhile, Congressman David Tirrol refused to withdraw his signature on the impeachment resolution despite the request from Mitra. According to Minority Floor Leader Rodolfo Albano, Mitra's decision was not right.

Aquino Approves P4 Billion Development Projects
*HK1008115388 Quezon City Sports Radio 738
in English 1100 GMT 10 Aug 88*

[Text] President Aquino and the NEDA [National Economic and Development Authority] board today approved four major development projects amounting to 4 billion pesos. Sel Baesa reports:

[Begin recording] The approved projects are: the Meralco [Manila Electric Company] rural electrification projects in Bulacan, Cavite, Laguna and Quezon Provinces to the tune of P880 million; the national telephone program of the Department of Transportation and Communications in Visayas and Mindanao amounting to P689 million; the P2 billion Luzon Gas turbine power project B which will be constructed at the Navotas fishing port complex and at the Manila Thermal in Sucat Power Station. [end recording]

More on Approved Projects

*HK1108070388 Manila MANILA BULLETIN
in English 11 Aug 88 pp 1, 18*

[Text] President Aquino and the National Economic and Development Authority (NEDA) board approved yesterday four development projects totalling P4.44 billion for the country as the government moved for the negotiations and use of foreign loans and grants on improved terms "best for the country."

Malacanang and the Brunei Embassy firmed up plans for the Aug. 23-24 state visit of President Aquino to Brunei to foster friendly relations and promote the multi-billion-dollar mini-Marshall aid plan.

In a meeting yesterday in Malacanang, the President and the NEDA board, which she chairs, approved four development projects costing a total of P4.44 billion, endorsed earlier by the board's investment coordination committee (ICC).

The major projects approved for implementation are the following.

1. The Meralco [Manila Electric Company] rural electrification project for Bulacan, Cavite, Rizal, Laguna, and Quezon costing P880.2 million.
2. The Visayas-Mindanao trial phase of the national telephone program under the Department of Transportation and Communication (DOTC), P689 million.
3. The Luzon gas turbine power project B, P2.874 billion.

In a press briefing, NEDA Deputy Director-General Filologo Pante said that the electrification program will provide wider and improved power services to Luzon provinces near Metro Manila.

On the other hand, he said that the telephone program will pave the way for improved communication facilities in the Visayas and Mindanao.

The gas turbine power plant project calls for the installation of medium-size units at the Navotas fishing port, the Manila thermal plant, and the Sucat power station, Pante said.

The NEDA board approved moves at improving the quality of assistance the country is getting from donor countries, in terms of loans and grants, and scrapping unfavorable terms.

The board specifically approved the recommendation calling for negotiations between the Philippines and Japan on improving Japan Official Development Assistance (ODA) to the country.

The Philippine Government seeks an increase in the ratio of grants to loans, a reduction of interest rate on loans, and the removal of restrictive terms from the use of loans and grants, Pante added.

The NEDA board said that the negotiations with Japan are significant since it is the Philippines' highest donor.

Japan committed a total of \$2.142 billion from 1980 to 1987 in loans and grants.

Those who attended the NEDA board meeting said that the employment picture improved last April, although the unemployment rate has yet to be pushed down further.

The board also approved additional guidelines on the Regional Development Council (RDC), providing for the creation and operations of the Regional Consultative Assembly (RCA) as a development ally.

Malacanang and the Embassy of Brunei firmed up the agreement for the state visit of Aquino to Brunei, a rich independent country on the island of Borneo.

The Brunei Embassy confirmed that the President will go on a "state visit." The original visit schedule is Aug. 23-24.

The president will likely ask for the support of Brunei to the multilateral aid plan for the Philippines, Foreign Affairs, Secretary Raul Manglapus said.

The aid plan, drawn up by the United States, calls for more loans and grants to the Philippines.

The projected loans and grants are intended to fuel economic recovery and development, Aquino said.

She added that fresh assistance and capital are necessary because the country spends 40 percent of its budget in servicing foreign debts alone.

The president said funds will be needed to finance development projects that can improve the delivery of services and the lives of the people, primarily those in the countryside.

Thailand

Ranong Governor Closes Border With Burma
BK1208004088 Bangkok THE NATION in English
12 Aug 88 pp 1, 2

[Text] The governor of Ranong has closed the border with Burma following the unrest in the neighboring country.

Ranong Governor Chaloem Supphamon's action followed reports that Burmese people and students have seized Victoria Point, a town opposite Ranong. Somphon Klinphongsa, deputy permanent secretary for the interior, said yesterday [11 August].

Somphon said goods shipments between the southern province and Victoria Point have also been suspended.

Governor Chaloem said that no Burmese have crossed the border from Victoria Point to Ranong in the past three days. He said Burmese authorities have apparently barred Burmese people from crossing into Thailand.

Chaloem said that normally 20 to 30 Burmese enter Ranong through its customs' checkpoint every day to visit relatives.

He said he also ordered provincial labour officials and marine police to prevent Burmese from illegally crossing the border to seek jobs in Thailand and to keep a close watch on those presently working in the province.

Fishing trawlers, Chaloem said, were also warned not to violate the Burmese territorial waters to prevent any conflicts.

General Sunthon Khongsomphong, the armed forces chief of staff, expressed concern yesterday that the riots in Burma may indirectly affect Thailand because some Thai students have staged protests in front of the Burmese Embassy in Bangkok.

Further Report on Closure

BK1208091288 Hong Kong AFP in English
0828 12 Aug 88

[Excerpt] Bangkok, Aug 12 (AFP)—Immigration authorities in Burma's southernmost city of Victoria Point have temporarily suspended cross-border travel and trade with Thailand, a senior Thai immigration official said Friday [12 August].

Police Lieutenant Colonel Sanit Komonwanit, immigration chief in Thailand's Ranong Province, said that Burmese students and civilians who were engaged in rioting in Victoria Point appeared to have taken control of parts of the city.

Lt. Col. Sanit said that Burmese immigration officials had sent an official notice Thursday announcing a "temporary closure" of the border checkpoint on the Burmese side of the border.

The notice asked Thai immigration officials to prohibit border crossings into the Burmese town from August 11-13 for "security reasons," he said.

Lt. Col. Sanit said Thai fishing trawlers operating from Ranong pier have been warned against intruding into Burmese territorial waters to avoid "misunderstanding and possible conflict."

Ranong Governor Chaloem Supphamon said Thursday he had ordered the border checkpoint closed to Thai travellers following the seizure of Victoria Point by anti-government students.

Meanwhile, Governor Aram Iam-arun of Thailand's northernmost border province of Chiang Rai said he had ordered provincial authorities to be prepared for a possible influx of refugees from neighbouring Burma.

He said that although what is happening in Burma would not greatly affect Thais along the border, his province was ready to offer refuge to Burmese fleeing the turmoil in their country. [passage omitted]

Prices Increase in Border Area Near Chiang Rai
BK1208064488 Bangkok MATICHON in Thai
12 Aug 88 p 24

[Excerpt] Chiang Rai Governor Aram Iam-arun has instructed Mae Sai District to be ready in case of an influx of Burmese into Thai territory. The Mae Sai District has arranged to put them in the area of the Kuang Meng Foundation which can accommodate up to 5,000 people.

Meanwhile, MATICHON's correspondent in Chiang Rai reported that prices for goods in Tachileik in Burma, which is opposite Mae Sai District of Thailand, have soared by about four times. Black market trading is very active. [passage omitted]

Lawyers To Set Up Protection Network for Goods
BK1208072188 Bangkok Domestic Service in English
0000 GMT 12 Aug 88

[Text] Thailand will establish a network of cooperation with its U.S. legal counselors to better protect its exports from damage by the omnibus trade bill, which is expected soon to become U.S. law.

Foreign Ministry officials discussed the issue with the two U.S. counselors—Bruce Aitken and Barry Israel—in a recent seminar aimed at seeking guidelines to protect Thailand's economic and trade benefits in the United States. The meeting decided to invite all parties concerned, especially those with bargaining power with the United States, such as importers of U.S. goods, to join the network.

The U.S. counselors will organize a political network to promote Thailand's view. [Words indistinct] to the seminar, the network should be established as soon as possible so it could begin operations before the U.S. presidential transition period from November this year to January next year. They said no matter which U.S. presidential candidate won the election in November, protectionist policies would be launched as the United States will have to reduce huge trade deficits.

Realistic Attitude Urged on Lintel Return
BK1208014388 Bangkok BANGKOK POST in English
12 Aug 88 p 4

[Editorial entitled: "Let's Be Realistic About the Lintel"]

[Text] The Americans make a reasonable point. They say it would set a "dangerous precedent" to give the Thaplang Narai Banthomsin back to Thailand because other nations could then demand return of their antiquities now in the possession of US museums. The Egyptians would want their mummies, the Greeks their statues. And if the phenomenon spread worldwide, why, the French might want to empty the Hermitage in Leningrad of its Impressionists and Italy may ask for the Mona Lisa.

The Americans also cite a United Nations agreement requiring that stolen art purchased "innocently" be compensated if returned. Why should they be victimised if they had acted in good faith? "Virtually everything (ancient) that comes on the market in this country is more or less illegal," one expert told a Chicago newspaper this week.

Thailand does not challenge these points, nor do we wish the matter of the Thaplang to become the precedent for other antiquity concerns. However, there is a distinction to be made between works of art and national treasures, and when it comes to the latter, we feel the question is open for discussion.

Thailand is not the first country, and certainly will not be the last, to seek the return of a national treasure. Perhaps the most prominent, and persistent, case in recent years has been that of the so-called Elgin marbles, stolen from the Acropolis in Athens by Lord Elgin and now housed in the British Museum. The Greeks could make claims to works in museums the world over, but they too distinguish between antiquities and treasures. They do not intend to pilfer the Louvre or the Getty Museum. They seek only the slabs removed from their country's most famous landmark.

In most cases, antiquities appear on the market very mysteriously, without documentation or any sort of "travelling papers". Presumably they have been stolen, for most countries, from Italy to Syria to Thailand, do not allow commercial digging. But when a collector or an auction house comes across an item, usually they can only take the seller's word for it that the piece was obtained legally.

Then there are the exceptions, cases in which the theft is well documented or cuts to the heart of a country's culture. This is the argument Athens makes for the Elgin marbles. This is what Thais say about the Thaplang.

It depicts the Hindu god Vishnu reclining on water, and, prior to its theft, formed a lintel over a gateway at the recently-restored Phnom Rung Temple in Buri Ram province. Authorities have declined offers to hang a reproduction in its place; the space is left bare because only the real thing will do. We seek the lintel's return because the temple, as it stands, is like Michaelangelo's David missing an arm.

As for compensating the Art Institute of Chicago, the Thaplang's current home, that is a matter for the experts. Concerns of museum officials are valid and should most definitely be taken into consideration. But Thailand's claims are no less legitimate, and the museum should express its willingness to arrange a deal as a first step towards satisfying all parties. Setting a precedent need not be an issue: the deal would be a one-time-only affair.

James Wood, the director of the institute, told a newspaper reporter the other day that the matter of the Thaplang requires careful consideration. "Anything we do reflects on the whole American museum community," he was quoted as saying.

We couldn't agree more.

Finance Minister Rules Out More Privatizing
BK1208015788 Bangkok BANGKOK POST in English
12 Aug 88 p 13

[Text] Finance Minister Pramuan Saphawasu yesterday ruled out any further privatisation of state enterprises as part of an austerity programme which he said would include strict controls on government agency spending.

Mr Pramuan, the Industry Minister in the last Government, told reporters yesterday in his first official press conference in his new role that he had decided on austerity and stability as the hallmarks of his new portfolio.

On the austerity side, he said he would endeavour to strictly control the spending of government agencies and state enterprises by "definitely" retaining the US\$1,000 million per annum ceiling on government borrowing overseas.

To further this cause, "I will encourage government agencies and state enterprises to borrow less from overseas and more from domestic sources.

"It is better to bear baht interest costs than foreign currency interest costs," he said, adding that when it came to state spending generally: "I may be a bit too strict in this respect compared to (his predecessor) Dr Suthi Singaen. Please give me more time to prove myself."

As for stability, Mr Pramuan said he would retain the present status of state enterprises and generally continue with the fiscal policies put in place by Dr Suthi.

He said he would not privatise state enterprises, but would instead ask his officials to monitor their operations closely.

He also said he would consider amendments to the regulations governing these bodies to give them more flexibility so they could operate effectively.

As for those state firms already some way down the track towards privatisation, Mr Pramuan said these would be subject to review.

Another area Mr Pramuan stressed as important was the more effective reallocation of financial resources to small- and medium-size businesses.

In order to do this, he said he would go through the Bank of Thailand to exert pressure on commercial banks to allocate more resources to medium and small industries.

He also said the country's tax collection system would be tightened and he would assign the Comptroller-General Department to monitor the collection closely.

"I have already asked the department to submit a weekly report to me," he said.

Nevertheless, he said it was too early yet to talk about whether any tax rates would be adjusted.

Mr Pramuan said he would also try to maximise the use of government property, particularly land left idle, in order to provide more revenue for the Government and make more employment opportunities available to the people.

The new minister said he had asked Permanent Secretary for Finance Phanat Simasathian to submit reports to him as soon as possible on the country's treasury reserves, on soft loans granted to banks and financial institutions and the financial positions of all 15 local banks.

Mr Pramuan admitted he did not yet have a definite monetary policy as he first needed to hold talks with the central bank.

As for exchange rates, he said he would try to maintain the baht at a level where it was neither too weak nor too strong.

Mr Pramuan said the past action on those firms in the April 4 lifeboat scheme was considered correct, but "I will have to look into the amount of damage done to this sector once again before asking the officials responsible to try and sell the firms back to their former owners or anyone else interested."

He said there was nothing much to worry about with the stock market.

"I will continue to support the stock market and its further development by encouraging the listing of more small- and medium-size industries," he said.

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